

MD talks in turmoil as arbitrator quits

By MARGERY GREENFELD
Jerusalem Post Reporter

The arbitrator in the doctors' dispute, Uzi Eilam, last night asked to be relieved of his duties after an "anonymous letter" sent to income tax authorities at the end of last week accused his wife, Nomi, a pediatric cardiologist, of tax evasion.

Discussions between the Israel Medical Association and the employers were continuing late last night, as the two sides began the arduous process of selecting a new arbitrator in the dispute.

In his letter to Attorney-General Yitzhak Zamir, Eilam said that he had asked his wife to "cooperate fully" with the tax investigators and to turn over all the necessary documents. "This she did," he wrote.

Treasury Director-General Ezra Sadan last night expressed his "deep sorrow" over the resignation and said that both sides "deeply regretted" the step. "But what happened, happened, and we will try to choose a new arbitrator as soon as possible," he said.

The resignation of Eilam, who is director-general of the Atomic Energy Commission, came eight days after he was appointed as arbitrator. The resignation ended speculations as to why the three-man panel had not yet begun its deliberations, despite the 40-day limit set down in the arbitration agreement for the panel to complete its work. Under the July 5 agreement, the clock started the moment the arbitrator was named.

With Eilam's resignation, the two sides are back to square one. Eilam's appointment followed post-noments and mutual rejections of more than 100 names suggested by both sides as possible arbitrators. The selection took 12 days rather than the 48 hours set down by the arbitration agreement.

Observers last night noted that

time is on the side of the Treasury, which stands to gain from every delay in implementing the 60-percent wage rise won by the doctors. With the choice of a new arbitrator likely to take several days, the 40-day arbitration period will end, if all goes well, just before Rosh Hashana, they pointed out.

More delays can be expected during the holidays, and the Treasury will begin running the new salary tables through its computers only in the late fall, they said. Thus it could be mid-winter before any payments on the new wage agreements actually reach the doctors' paychecks, the observers noted.

The doctors are known to be increasingly restive over the delays in beginning the arbitration process. Even before Eilam's resignation some doctors were talking of "renewing industrial action" to speed the process.

Under the agreement which ended the four-month strike, the three arbitrators — one from the Israel Medical Association, one representing the employers, and one "neutral third arbitrator" — are charged with solving two major outstanding issues. These are how many hours constitute a standard work-week for a doctor working full-time, and over how much time the payment of the doctors' wage rises will be spread.

Under the agreement, the doctors were awarded an average 60 per cent increase in their basic wages. The spread of payments is crucial to how much this rise will actually be worth. The longer the period over which the payments are staggered, the more the unlinked wage rise loses in value.

The work week is also critical for if the doctors are given the reduction in hours they have demanded (from 45 hours to 36), this will represent a 25 per cent increase in pay, according to Treasury figures.



The open area in the background, located near the Cave of the Patriarchs in Hebron, is the controversial intended site of the new municipal bus station. Local bus companies refuse to relocate there and are demanding the return of the present depot, which was closed following the murder of a Hebron yeshiva student several weeks ago and which is claimed by Jewish settlers. (Zoom 77)

Syria openly supports the anti-Jemayel front

Post-Mideast Affairs Reporter
and agencies

Syria yesterday came out openly in support of the National Salvation Front formed in Lebanon over the weekend to challenge the authority of President Amin Jemayel's government and to scuttle his accord with Israel.

Speaking in Kuwait yesterday, Syrian Foreign Minister Abdul Halim Khaddam stated that "Syria will lend its support to every Lebanese working for Lebanon's salvation from Israeli occupation

and from the Phalangist sectarian hegemony."

He went on to pledge Syria's determination to "pursue its resistance to the (Israel-Lebanese) agreement until it collapses," claiming that "the accord has turned Lebanon into an Israeli protectorate."

The National Salvation Front was formed on Saturday by Druse leader Walid Jumblatt, Maronite former president Suleiman Frangieh and Moslem former prime

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Druse IDF corporal dies of wounds sustained near Aley

By MENAHEM HOROWITZ
Jerusalem Post Reporter

METULLA. — A 20-year-old Israeli Defence Forces Druse corporal died yesterday of wounds sustained last Sunday when his armoured personnel carrier came under fire from the Druse village of Ein Anub, south of Aley in Lebanon.

Rhaleh Sh'hidam will be buried at noon today in the military section of the cemetery in his village Ushiya, near Haifa.

The IDF has widened its search in the area of Ein Anub to uncover the terrorists responsible for the attack on the IDF patrol. A curfew

was imposed in the area and dozens of local village leaders and Druse clergymen were called in to army headquarters and told that collaboration between Druse residents and terrorists would not be tolerated.

The attack took place at the entrance to the village. A bakery is situated close by and at the time of the ambush it was filled with customers. Military sources believe these bystanders must have been aware that an attack was about to take place, or must have seen the terrorists. The IDF had wanted to close the bakery, but an appeal local notables staved off the decree.

PLO loyalists, rebels clash in Bekaa Valley

By DAVID BERNSTEIN
Post-Mideast Affairs Reporter
and agencies

Fighting broke out yesterday in Lebanon's eastern Bekaa Valley between loyalists and dissidents in PLO chairman Yasser Arafat's mainstream Fatah group, shattering a three-week cease-fire and casting a shadow over intensified diplomatic efforts to end the crisis.

Both loyalist and dissident spokesmen attempted to play down the seriousness of the fighting, which was widely reported by Lebanese radio stations.

Some Lebanese reports, especially those carried by the Phalange-run Voice of Lebanon, claimed the rebels had overrun three loyalist positions in the Bekaa in clashes that had left more than 50 dead.

A loyalist spokesman in Tripoli, who was contacted by telephone from Beirut, confirmed to the Associated Press that the rebels had attacked loyalist positions in Shoura, Ta'anayel and Arab Sahour yesterday, but denied that any of these positions had been taken.

(Continued on Page 2, Col. 4)

Economic review shunted to cabinet committee

Jerusalem Post Staff

The cabinet yesterday decided that its economic committee would review government spending and defence needs. It thus put off a direct confrontation between the Treasury and various ministers.

This came after Defence Minister Moshe Arens told his colleagues that his ministry is short many billions of shekels, while the Treasury asserted that government spending must be slashed by IS\$0 to 60 billion.

Arens did not mention specific

figures, but cabinet sources said that the Defence Minister is asking for about IS\$16b. to finance the prolonged stay in Lebanon and some ISSb. for the Lavi warplane project.

Finance Minister Yoram Aridor's reply was that money for defence and other urgent needs would have to be found within the existing budget.

The problem was referred to the Ministerial Economic Committee. Aridor told the cabinet that he would not allow more money to be

printed for the new defence requests and other unplanned expenditures.

He asserted that a 10 per cent cut in the activities of all ministries is needed to garner the new funds. The minister repeated that the original budget did not foresee that Israel would have to stay in Lebanon for such a long time. Every day in Lebanon costs about IS\$50m., he revealed.

Treasury sources said after the cabinet meeting that there is no alternative to slashing the defence

and welfare budgets, despite all the opposition to such a step.

Arens strongly opposed axing the defence budget, telling the cabinet that there is no part of the budget he could cut.

Industry and Trade Minister Gideon Patti said that another IS\$20b. for Defence is only part of the picture. Other financial needs such as salary increases for doctors and teachers, bigger export subsidies, and higher debt repayments would come to another IS\$40m., he said.

(Continued on Page 2, Col. 4)

Police to demand MKs forfeit bail for zealots

By MICHAEL EILAN
and ROBERT ROSENBERG
Jerusalem Post Reporters

Police will ask the Jerusalem Magistrates Court today to dun Knesset Members Menahem Porush and Shlomo Lorincz for a bond they said they would sign for two ultra-Orthodox zealots who broke the terms of their release from a police lock-up and who are now missing.

The two were part of a group of 15 *haredim* held after riots in Mea She'arim two weeks ago. The 15 were released late Friday afternoon following the intervention of the two Agudat Yisrael Knesset members. Ten of them were ordered back into custody yesterday.

The court-room saga came amid rising tension in Jerusalem over the City of David excavations outside the Old City. The "Committee for the Protection of Jewish Graves" has called for a demonstration about noon today. Police have not licensed the demonstration.

Judge Miriam Naor of the Jerusalem Magistrates Court said yesterday in court that she was "more than disappointed" with the Knesset members "whose word is not a word."

In the hearing on Friday afternoon Naor said the 15 men could go free until their trial if they agreed to

leave Jerusalem, not to take part in any demonstration and to report daily to a police station.

There was not enough time to sign a formal bail agreement, so MKs Porush and Lorincz committed themselves to ensuring the *haredim* would turn up at a police station after the Sabbath to sign the bail forms and so the Knesset members could post bond for them. Police said that of the 15 only

three agreed to the terms of their release and they were freed after the necessary documents were signed.

One man, Yehoshua Cohen, did not show up in court yesterday and was declared a fugitive from justice. Another man walked out of the court room in the middle of the proceedings and has not been seen since. The remaining 10 would not agree to the terms of their release

and were returned to the police lock-up.

Police spokesman Ziv Rotem said last night that police will ask the court today to call in the bond Porush and Lorincz had said they would sign for the two men who vanished.

Porush said last night that he was in no way committed. He maintained that Cohen escaped from a police station on Saturday night, but since he had actually turned up at the police station, Porush himself was no longer responsible for his behaviour.

Rotem asserted that the commitment Porush gave was for the *haredim* to appear in court yesterday morning. Since they did not all appear, Porush and Lorincz were liable for the bail they had promised they would sign. He allowed, however, that this was a complicated problem the courts would have to solve.

Moshe Hirsh of Natorei Karta, arrested last week, on suspicion of "inciting to rebellion" and released without being charged on Friday, was questioned again by police yesterday. Hirsh said three policemen came to his home in Mea She'arim and took him to the Russian Compound police headquarters. He said he was questioned for two hours about "various newspaper articles," and then released.

U.S. Indians may study kibbutz farming

PIERRE, South Dakota (AP). — Oglala Sioux leaders and a rabbi are investigating whether kibbutz farming methods would work on the arid Pine Ridge Reservation.

Techniques that turned deserts into farmland in Israel could help the Oglala Sioux boost farm output on the South Dakota reservation, said Robert Fast Horse, tribal executive director.

Rabbi Joseph Glaser, vice-president of the Central Conference of American Rabbis, is to meet with tribal officials in early September to discuss an agreement between the kibbutzniks and Indians.

Fast Horse and Glaser said that if the plan is approved, a few tribal councilmen will go to Israel to observe farming methods. Then a group of Israelis, presumably from

the kibbutz movement, would come to Pine Ridge to train Indians, Fast Horse and Glaser said. Fast Horse said the tribe might give the Israelis a share of profits from increased crop sales.

Glaser said he has discussed the proposal with the Israeli consul in New York, as well as kibbutz officials. No action will be taken unless the Oglalas ask for assistance, he said.

"I've heard some glowing reports about how the State of Israel works with agricultural resources," Fast Horse said. "If we work with them, we want this to be strictly a transfer of agricultural technology. We don't want to get involved in the Mideast conflict and bring it here. We have enough conflicts here already."

'Crucial' talks await Arens, Shamir in U.S.

By WOLF BLITZER
Jerusalem Post Correspondent

WASHINGTON. — Foreign Minister Yitzhak Shamir and Defence Minister Moshe Arens leave today for Washington for what U.S. officials say are vital talks on the deteriorating situation in Lebanon.

Officials at the White House and the State Department said that the U.S. and Israel must coordinate policies at the ministerial level following Israel's decision to redeploy its forces in Lebanon, and the growing Syrian-inspired opposition to President Amin Jemayel's Beirut government.

The two ministers will hold three full days of talks in Washington. Apart from Lebanon, the discussions will cover wider Middle East issues and bilateral topics.

U.S. officials said they were resigned to the inevitability of the IDF's deployment and would not seek to pressure Israel into reversing that decision. What is urgent, however, is a careful implementation of the redeployment enabling units from the Lebanese army and the multinational peace-keeping force to take over vacated Israeli positions.

U.S. officials are becoming openly nervous about the stability of the Jemayel government. They are likely to seek Israeli cooperation in taking certain steps which could strengthen the Lebanese administration.

Arens and Shamir will apparently

have only one meeting with President Ronald Reagan. They will spend more time with the Secretary of State George Shultz, Defence Secretary Caspar Weinberger and the president's security adviser William Clark.

They are also expected to meet jointly with new Middle East envoy Robert McFarlane and other administration officials.

Arens, U.S. officials said, is expected to have extensive bilateral discussions in the Pentagon with Defence Secretary Caspar Weinberger and other policy-makers. The Defence Minister may remain in Washington longer than Shamir, who is coming back to the U.S. in September for the opening session of the UN General Assembly.

The idea of an Arens-Shamir visit, U.S. officials say, was raised earlier last week by U.S. Ambassador Samuel Lewis during his meeting at the Knesset with Prime Minister Menachem Begin.

The Americans also want to report to the Israeli government on Reagan's discussions last week with Jemayel in Washington.

Arens, in separate discussions in Washington, is expected to review pending Israeli requests for additional financial assistance for the Lavi fighter plane.

Asher Wallfish adds:

The decision to send the two ministers for top-level talks — and the invitation itself which came on Sunday — was a surprise to most of the cabinet.

Despite this, a cabinet source insisted, the Arens-Shamir trip had been expected, and last week there had been talk of sending Arens and Shamir along with Prime Minister Menachem Begin, before Begin decided not to go.

Reagan's letter of invitation came during Sunday's cabinet session itself. Before the letter arrived, Deputy Premier David Levy asked Shamir if there were any basis to reports that he and Arens might be going to Washington. Shamir dismissed the reports as "speculation."

The Reagan letter suggested the premier send the two ministers, but if that were not possible, the president would instead send his new Middle East envoy Robert McFarlane to Jerusalem at the weekend.

A Foreign Ministry source said last night that there would be no discussion in Washington on the principal of redeployment although details and planning might come up during the talks.

Addressing Herut activists in Ramle last night, Shamir said the visit to Washington was to find the "best and safest way to advance the withdrawal of the IDF from Lebanon."

The foreign ministry yesterday paid tribute to Philip Habib, the outgoing personal Middle East envoy of President Reagan. He said that Ambassador Habib's "indefatigable work throughout the years of his service in our area has evoked the admiration of many."

'Anti-Jemayel moves won't delay pullback'

Jerusalem Post Reporter

Defence Minister Moshe Arens said yesterday that the redeployment of the Israel Defence Forces in Lebanon would not be held up because of the renewed turmoil there by groups hostile to the regime of President Amin Jemayel.

In a review at the weekly cabinet

session of the situation in Lebanon over the past few days, Arens noted that the Druse had put a list of demands to Jemayel including the appointment of a Druse chief of staff and a Druse minister of defence and suggested that the unrest within the

community was a backdrop to these demands and Jemayel's reaction to them.

Arens dismissed as totally unfounded newspaper reports that the IDF's plans might be changed because of the plan by Maronite former president Suleiman Frangieh, Druse leader Walid Jumblatt and Moslem former prime minister Rashid Karamah to form an opposition front against Jemayel.

A cabinet source told reporters later that it had been obvious all along that "certain forces inside Lebanon" would try to create havoc when the IDF begins redeploying and would launch a policy of delegitimizing the president.

The cabinet source said that the redeployment would probably go on while Arens and Foreign Minister Yitzhak Shamir are in Washington. The source said details would not be announced in advance to prevent hostile elements exploiting such information.

U.S. magazine: Begin slurs Reagan

Jerusalem Post Correspondent

WASHINGTON. — Prime Minister Menachem Begin recently confided to President Chaim Herzog that he was "most reluctant" to visit Washington because President Ronald Reagan is "usually poorly briefed" on the Middle East, *Newsweek* reports in its latest issue.

The magazine says Begin told Herzog that during earlier conversations with the American president, Reagan demonstrated an inability to deal with specific issues once the small talk was concluded.

According to the magazine, Begin also complained about Reagan's advisers, who would be involved in the discussions. *Newsweek* said Begin did not "respect" them.

In Jerusalem last night, presidential aide Ami Gluska told *The Jerusalem Post* that the *Newsweek* report was "baseless." He said that the discussion between the prime minister and the president on the former's scheduled visit to Washington had taken place without the presence of any other person, and no report of it was issued.

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'Unique law' aids child sex-crime victims

By LEA LEVAVI
Jerusalem Post Reporter
TEL AVIV. — Some 360 sex crimes against children under 14 are reported annually, involving about 1,100 children as victims, witnesses or perpetrators, according to figures discussed at a press conference here yesterday by officials of the Ministry of Labour and Social Affairs. The figures were published in *The Jerusalem Post* some weeks ago. They also spotlighted the "enlightened" way Israel deals with the problem.

Dr. Menahem Horowitz, director of the ministry's correction services, said the figures reflect a stable situation. The public tends either to blow out of all proportion the matter of sex crimes against children or to ignore it entirely, he said.

"When you realize that there are about a million children under 14 and that 1,100 a year are connected with such crimes, you can see the is-

sue in perspective," he said. He added, however, that the reported crimes are probably only a small proportion of those committed.

In 60 per cent of the cases, such as indecent exposure, the offence does not involve any physical contact between perpetrator and victim. Sometimes, in fact, it is the parents who need help because their panic can create a greater trauma for the child than the original incident.

Another 30 per cent of cases involve contact short of intercourse. The remaining 10 per cent are cases of rape and sodomy.

Levy Eden, director of the youth probation service, said that the vast majority of children involved in such incidents are victims. The rest are witnesses or perpetrators.

Israel has a unique law for handling these cases, said Horowitz. When a complaint is received by the police in which a child under 14 is

involved, a youth investigator employed by the Ministry of Labour and Social Affairs is sent, instead of a police officer, to the child's home.

The investigator gathers evidence for the police, refers the child or other family members for therapy, if needed, and decides to what extent the child should be involved in the police investigation or court proceedings.

Only a quarter of the children appear in court. In the other cases, the youth investigator appears instead and may be cross-examined.

"This is hard for the lawyers to swallow because it means accepting hearsay evidence," Horowitz said, "but Israel has decided to put the welfare of the child above the legal issues. When I lectured on this law to a group of judges in England, they said it was very progressive legislation but could never happen in their country."



Sheikh Amin Tarif, spiritual leader of Israel's Druze is greeted by President Chaim Herzog at Beit Hanassi in Jerusalem yesterday. (Isaac Harari)

Israel Druze leader rejects 'extreme voices' on Lebanon

By JUDY SIEGEL
Jerusalem Post Reporter

Sheikh Amin Tarif, spiritual leader of the Druze, said yesterday that Israel has promised not to allow the Lebanese Army and the Phalangists to take over Druze areas in Lebanon until an agreement is reached between the Druze and the Lebanese government.

The 85-year-old leader asserted this yesterday at a Beit Hanassi reception for some 100 Druze religious and civic leaders, and a handful of Druze army officers, border policemen and police.

"We asked that the government see to it that Druze areas in Lebanon are free of all foreign armed forces," Tarif said. "The entrance of the Lebanese Army and its supporters into these areas before agreement is reached with the Druze will cause instability in Lebanon."

The sheikh, who was led into the hall arm-in-arm by President Chaim Herzog, declared, "We believe that moderation is the best way to attain

our just demands and rights. If extreme and irresponsible voices are being heard, we don't accept them and they are a minority."

The president departed from his prepared text for a moment, declaring that he could not voice his opinion on the Lebanon issue, but stated that "Israel has no intention of hurting the Druze in Lebanon. The opposite is true. I'm sure the government and the Israel Defence Forces will do all that is possible so your brothers will not be harmed."

MK Amal Nasser e-Din (Herut) stated that Prime Minister Menachem Begin deserves credit for solving many problems faced by the Druze in Israel. But he too urged protection for the Druze of Lebanon. "The Druze don't have an army like the Phalangists."

The audience included Druze leaders from the Golan Heights and the sheikh of Hasbaya in Lebanon. They were introduced to Herzog by his Druze adviser on minority affairs, Kamal Mansour.

Ben-Meir urges Israelis to be patient

Jerusalem Post Reporter

Deputy Foreign Minister Yehuda Ben-Meir said yesterday that Israelis must show patience to turn the military gains of the war in Lebanon into political victories.

Addressing a fund-raising reception of the American Mizrahi Women at the Jerusalem Plaza Hotel, Ben-Meir said that the Syrians are trying to make up for their losses in the war by wearing down Israel's forces.

Pointing out the "differences in mentality" between Israel and Syria, he said that "we have never got any Syrian request for information about what is happening to their prisoners." The International Red Cross is attending to them, he added, but Syria's lack of interest in its own officers and men "shows the difference between the two mentalities."

New prices, guidelines for school textbooks

Jerusalem Post Staff

The Education and Culture Ministry yesterday announced prices and guidelines for textbooks for the coming school year. The prices posted in stores must remain fixed until September 15, which is two weeks after the beginning of school.

Under the new guidelines, pupils can be required to purchase only textbooks, not supplementary books or books of "dubious" usefulness; changes may not be made in the list of required textbooks, even under a new teacher; and pupils cannot be required to purchase only the latest edition of a text.

The ministry encourages local councils, schools and parents to organize used book fairs.

American singles

Jerusalem Post Reporter

About 100 American Jewish singles arrived yesterday for the sixth annual American Jewish Congress singles convention.

All of this month's participants are over 40, but a second group of under-40s will arrive at the beginning of August.

Lahat: (Most) Saturday buses sinful

By CAROL COOK
Jerusalem Post Reporter

TEL AVIV. — Mayor Shlomo Lahat yesterday spoke out against public transport on Shabbat, but he defended the regular Saturday bus service to the beach which the religious partners in his coalition want to see stopped.

"I'm against public transport on the Sabbath, because it would turn Tel Aviv into a sinful city," Lahat said at the close of a tour of the city's development projects. However, he added, the Saturday buses running from several Tel Aviv

neighbourhoods to the beach, do not violate "the status quo" on the religious-secular balance in the state.

The mayor met yesterday with city councillors representing the religious parties to discuss their objections to the weekend service.

Controversy over the bus service, organized by a company called "Sea Lovers," affiliated to the Dan bus cooperative, began after a report on Israel Television earlier this month.

The service, which has been

operating for the past five years, runs buses every 10 minutes on Saturdays from Yad Eliahu, Neve Chen, Kfir, Neve Barbour, Neve Itzhak, Kfir Shalem, and other neighbourhoods.

Lahat said on television that he favours the bus service. His stand angered the four religious representatives on the city council. "This is the first time the mayor has come out in favour of something that is against a local by-law," said Haim Basok of the National Religious Party, who heads the municipality's education department.

Sun lotions to bear protection-level data

By MARGERY GREENFELD
Jerusalem Post Reporter

Within a few weeks, all medical or cosmetic products containing "sun blocks" to protect the user from ultraviolet rays will by law have to carry a label indicating the level of sun-screening action, based on an internationally accepted standard scale, the Health Ministry said over the weekend.

The regulation, worked out in cooperation with the Cancer Society, was signed by Health Minister Eliezer Shostak on July 8 and was effective immediately on all tanning products produced locally or imported after that date.

Distributors have one month to stick the labels on products that were on the shelves when the regulation was signed.

The system is based on a scale from one to 16 indicating the level of protection from ultraviolet rays.

The higher the number, the higher the level of protection.

Sunbathing under controlled conditions can be beneficial: exposure to ultra-violet rays causes the skin to produce the Vitamin D that is essential to healthy bones and also leads to the development of the sought-after tan that is the skin's own protective measure against too much sun.

But prolonged exposure to the sun over the years can lead to the development of skin cancer.

Sunbathers just starting to work on their tans and people with light skin tones are advised to use products with a high sun-blocking action at the beginning of the season.

The Health Ministry is also planning to test products claiming to be "waterproof" to determine whether their effectiveness is diminished by perspiration or after swimming. In accordance with the results of these tests, products will also be labelled with their level of waterproofing effectiveness.

West Banker complains of trick to sell his land

Jerusalem Post Reporter

BIDYA. — A local resident of this Samaritan town on Friday filed a complaint with Tulkarm police against a well-known Israeli land-dealer for allegedly attempting to sell his land under false pretences.

Diab Klab said in his complaint that the dealer got him to sign a blank sheet of paper in a Petah Tikva office last week, under the pretext of arranging for Klab to meet a woman interested in marrying him. Instead of meeting the woman, Klab found his name posted on the Bidya mosque as having agreed to sell some 40 dunams of land.

Bidya is about 20 kilometres east of Kfar Sava.

Religious aliya

Jerusalem Post Reporter

An assembly of religious immigrants and aliya emissaries will open at Kfar Batya in Ra'anana today in the presence of President Chaim Herzog, the chief rabbis and Jewish Agency Executive chairman Arye Dulzin.

The meetings, organized by Tehila, the voluntary movement to encourage religious aliya, begin at 10.30 a.m.

Burglars make their getaway on donkeys

By MICHAEL YUDELMAN
Jerusalem Post Reporter

TEL AVIV. — Using donkeys as getaway transport, four teenagers allegedly stripped a Zahala school of IS1.5 million worth of electronic equipment in five separate burglaries during the past month.

The youngsters, aged 15 to 17 and three adults—accomplices, one of them a soldier, were arrested on Saturday and brought to the magistrate's court here yesterday for the extension of their remand.

The stolen equipment, including an electric organ, audio-visual equipment, tape recorders, loud speakers, two radio sets and 18 sets

of earphones, was transferred on donkey-back from Zahala to Neve Sharret, where it was taken over by the adults, police said.

The organ and loudspeakers were sold for IS15,000 to a musician, police said. It is not yet known whether the man, who was detained for questioning, knew he was buying stolen goods, police added.

Each of the four minors received IS2,500 and took a tape recorder and a set of earphones, while the adults involved shared the rest of the proceeds, the police said.

The adult suspects, aged 18 to 21, are known to the police.

National traffic police needed — safety group

TEL AVIV (Itim). — The National Council for the Prevention of Road Accidents yesterday called for a national traffic police force as the only way to reduce the death toll on the roads.

Leaders of the council asserted that current safety efforts are not sufficient and only a body able to act with the force of the law will improve the situation.

Meanwhile, a Petah Tikva man was jailed for 16 months, sentenced to a further eight months suspended jail

term, and was banned from driving for three years, at Tel Aviv Magistrates Court, yesterday. Ze'ev Cohen, 20, was sentenced after he and another man robbed a jewelry shop and then drove off at high speed with police chasing them. Cohen's partner escaped after their car crashed into a traffic island.

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The Boiling Point

White House Puts Central America on a Front Burner

By LESLIE H. GELB

NOT since the Vietnam war has an issue so engaged the political passions of the President and his advisers, Congress, the public and many nations around the world, as recent Reagan Administration decisions about Central America. Wounding and basic questions are again being asked about how to deal with revolutionary change in the third world, democracy versus communism, the proper role of Congress and whether to support or reject Presidential policies.

The clear sense in the Administration is that Mr. Reagan's policy until now is not working. Some blame Congress for not providing enough aid; a House vote on a new aid package is expected this week. Others insist the American-backed guerrillas in Nicaragua and the Salvadoran Government simply cannot do the job.

To turn the tide, Mr. Reagan is on the verge of sharply escalating American involvement — stepped-up military exercises in Central America, increased covert operations, a proposed 40 percent increase in aid, tougher rhetoric. Last week, he named a bipartisan commission to fashion long-term policy and build short-term support.

Mr. Reagan is thus on the edge of transforming what Administration experts concede as essentially indigenous revolutions in their origins into a test of wills between the United States and "Totalitarian Communism" led by Cuba and the Soviet Union — the issue much as former Secretary of State Alexander M. Haig Jr. presented it two years ago. To buttress its case, the Administration is using highly charged arguments critics find contradictory and dangerous. It is maneuvering in the name of bipartisanship in ways Democrats suspect are designed mainly to isolate opponents.

The policy is deeply rooted in anti-Communism and in what senior officials see as the "lessons" of American setbacks in Cuba and Vietnam. They believe that:

- A basic mistake in Cuba was in not realizing Fidel Castro was always a Soviet-oriented Communist pretending to be a local revolutionary. "The Soviets and the Cubans are operating from a base called Nicaragua," Mr. Reagan said last week. "This is the first real Communist aggression on the American mainland."

- Failing to persuade Congress and the public that Cuba and Vietnam involved "vital" national interests was a key error. "If the Nazis during World War II and the Soviets today have recognized that the Caribbean and Central America is vital to our interests, isn't it about time we did, too?" Mr. Reagan asked.

- In a secret paper prepared for a National Security Council meeting on July 8, officials predicted the direct consequences should El Salvador become Communist. "Given their inherent weaknesses," it argued, "most nations in Central America (as well as other nations in the Caribbean and South America) might fall under Communist rule and threaten the political structure in Mexico."

- The United States erred in not taking decisive military action. In the July 8 document, the Defense Department asserts "The United States should not continue to pursue a policy toward Central America that increases its commitment — in terms of assets, involvement, and Presidential prestige — unless Congress grants the means to succeed."

Congressional critics such as Senator Nancy L. Kassebaum, Republican of Kansas and Representative Lee H. Hamilton, Democrat of Indiana agree that the Sandinistas and Salvadoran guerrillas are essentially Marx-



Sandinista troops patrolling the Nicaraguan-Honduran border in areas where recent clashes have occurred.



Henry A. Kissinger

ist, drawn to the Cuban model and anti-United States and that the Sandinistas seek to export revolution. But these critics do not agree that the Sandinistas are controlled by Moscow and Havana; they see them as essentially home-grown revolutionaries being driven into the arms of Moscow and Havana by Washington.

Mr. Reagan agrees the Central American revolutions are rooted in "decades of poverty, social deprivation and political instability," but he says they are exploited "by the enemies of freedom." No one in Washington has proven the Sandinistas or Salvadoran guerrillas are Soviet puppets. Critics and Administration alike are guessing and taking gambles. Most Congressional critics would agree the United States would pay a heavy price should Moscow establish new bases in the area. But hardly any think the Russians would risk it, faced with a clear signal from Washington.

Would More Aid Work?

Critics such as Senator Christopher J. Dodd, Democrat of Connecticut, also worry about revolution spreading. But they contend Salvadoran events will not predetermine Guatemala's future or Honduras's or Mexico's. When Mr. Castro took over Cuba, they note, Latin America did not crumble. When Hanoi conquered South Vietnam, it gained Laos and Cambodia, but elsewhere in Asia, the American position is probably stronger than ever.

Like the Administration, the critics judge Mr. Reagan's policy is not working. But they do not believe more of the same will work. Escalation, they say, would only breed more escalation and spread the war. Representative Bill Alexander, Democrat of Arkansas, spoke for many of them after a closed House debate last week. "I can say that covert action hasn't worked," he said; the Administration "has a hidden agenda, undisclosed to Congress and the American people, and while talking about peace in the region it is seeking a military victory."

According to the secret July 8 paper, even the State Department does not believe more aid by itself will provide the key. Pointing to Salvadoran confusion about American purposes and to the participation "of some security force personnel in death squad activities," State called for a "new and reliable contract" that "outlines for the Salvadorans what they must do to win and what we will do to help." The paper also made clear the Pentagon was calling for much more than aid. It sought authority for Salvadoran forces to attack the guerrillas in Honduras and for expanding the anti-Sandinista forces. All officials

involved in the paper recommended imposing "discouraging" costs on the Cubans for their aid but stressed that no threat should be made without "willingness to follow through with military force."

Mr. Reagan appeared to pursue this point when he said Cuban and Soviet military help for Nicaragua "cannot be allowed to continue." But what did he mean? For example, does the large United States naval battle group moving into the area prefigure a quarantine or even a more extensive blockade? Does following through with force mean readiness to attack Soviet and Cuban ships and aircraft bound for Nicaragua, as in the 1962 Cuban missile crisis? Is the Administration willing to risk war? Or is this the very kind of bluff that Mr. Reagan says has plagued American foreign policy for decades at the cost of national credibility?

"A blockade is an act of war and the Constitution places the decision to go to war in the hands of Congress," Representative Don Edwards, Democrat of California, insisted yesterday.

Senator Dodd and others also question Mr. Reagan's credibility. They argue he is being deceptive when he denies his objective is to overthrow the Sandinista regime while acknowledging this is the aim of the guerrillas he is supporting — while insisting he cannot control them. To these critics, there is also something disingenuous about the President's statements that the United States can support the sovereign Government of El Salvador, but that Cuba and the Soviet Union cannot do the same for Nicaragua, or that Washington can support guerrillas seeking to overthrow Soviet puppets in Afghanistan but that Moscow cannot play the same game in Central America.

Kissinger Appointment

The critics also ask why, if Nicaragua's support of the Salvadoran guerrillas is as substantial as Mr. Reagan claims, little evidence of it has been produced. They also find it disquieting that virtually no American friend or ally is supporting Washington's Central American policy.

Liberal and conservative critics were not quieted by the appointment of former Secretary of State Henry A. Kissinger to head the President's bipartisan commission on Central America. They quickly dug into the files for ammunition such as Mr. Kissinger's widely reported comment after Salvadoran Allende, a Marxist, was elected President of Chile in 1970. "I don't see why we need to stand by and watch a country go Communist due to the irresponsibility of its own people," he told a meeting of

Major News

In Summary

Bad-Neighbor Policies Stir Central America

On the subject of Marxist President Reagan mimes no words, and last week he used some of his strongest language to date. The Nicaraguan Government, he told the International Longshoremen's Association, was "a dictatorship of counter-revolutionaries" who are "actively trying to destroy the budding democracy in neighboring El Salvador." Soviet and Cuban arms deliveries to Managua "cannot be allowed to continue," he declared.

Senior officials said the President had approved plans to increase United States military involvement and prepare a possible naval quarantine of Nicaragua. If the Sandinistas could not be persuaded to live in peace with their neighbors, Mr. Reagan was said to have concluded, it might become necessary to force them from power. Yesterday, senior officials said the Defense Department also had recommended doubling the number of American military advisers in El Salvador and permitting them to enter combat areas. (Certifying rights, page 2.)

Reports of these plans may have been partly psychological warfare

aimed at Managua. Friends of the Sandinistas have been urging them to be conciliatory, contending that Washington is serious about bringing them down. Apparently getting the message, Daniel Ortega Saavedra, the Sandinista junta coordinator, endorsed regional peace negotiations, an American demand Managua had rejected. He added proposals for a Nicaragua-Honduras nonaggression pact, halting the flow of outside arms to El Salvador, banning foreign bases and military advisers and ending economic and military interference in the region.

"I welcome this first step," Mr. Reagan said at a news conference. But he wanted more — starting with

U.S. bases abroad

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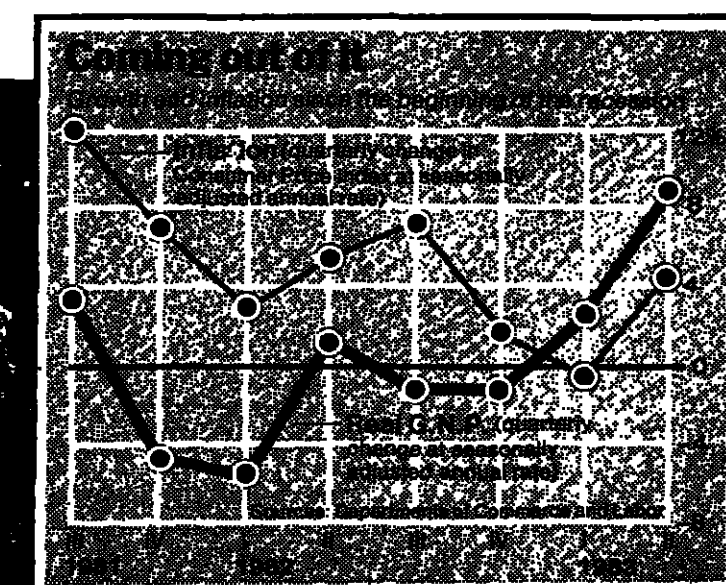
early delivery on Sandinista promises to establish a truly democratic free society. "Outside forces" were directing and subverting Managua, he said, so a satisfactory agreement with the Sandinistas would be "extremely difficult."

Mr. Reagan named former Secretary of State Henry A. Kissinger to head a 12-member bipartisan commission charged with producing a "united national approach" to Central America. The commission, it was hoped, would help win approval for \$130 million of military aid for the region plus \$80 million for anti-Sandinista guerrillas, which the House considered last week in a rare closed session.

The commission was greeted with reserve south of the Rio Grande. Many Latin Americans are convinced Dr. Kissinger was a party to the bloody coup that toppled Chile's leftist President, Salvador Allende, Gossens, in 1973.

The military exercises, officials said, would begin this week with the arrival in Central American waters of the aircraft carrier *Ranger* and would last at least six months. In Honduras, they added, thousands of American servicemen would extend runways to take the largest Air Force transports, preposition large stocks of military equipment, build electronic surveillance systems and start construction on a planned \$150 million air and naval base.

Was this "a kind of a gun boat diplomacy approach?" Mr. Reagan was asked. "No," he replied, the exercises would be similar to previous maneuvers and were prompted by "the responsibility we have in this hemisphere."



Economy Gets Very Uppity

This summer so far has been a scorcher — almost a match, it seems, for the economy.

According to Commerce Department tabulations released last week, the economy rose in the second quarter at a annual growth rate of 8.7 percent, better than triple the first quarter's pace. It was the best gross national product reading since the first three months of 1981, 2 percentage points better than the Government

had forecast only a month ago. The unexpected vigor, the President said, "heartens us."

More detached analysts also found other heartening signals. Industrial production in June was up for the seventh consecutive month, personal income grew 0.5 percent and the Consumer Price Index rose by a paltry 0.2 percent. At midweek, the Dow Jones industrial average jumped 30.74 points, its biggest increase since November, after indications from Federal Reserve Chairman Paul A. Volcker that the Fed had taken steps to restrain the money supply but

didn't plan any drastic measures. Mr. Volcker also released the central bank's revised forecast for the economy, pegging the projected economic growth for 1983 at between 4½ percent and 6 percent.

Not everyone was predicting an endless summer. Martin S. Feldstein, chairman of the President's Council of Economic Advisers, cautioned that the economy couldn't continue at a gallop. And Mr. Volcker testified that red ink remains "the most important single hazard to the sustained and balanced recovery." However, it was disclosed that the Administration — less concerned about record \$200 billion deficits now that the economy is lifting off — had quietly dropped its contingency tax proposal. Illinois Representative Dan Rostenkowski, chairman of the Ways and Means Committee, promptly decided his panel wouldn't draft any new taxes at all without a high sign from the Oval Office.

Many of Mr. Rostenkowski's House colleagues were also cool toward a proposal to increase Washington's stake in the International Monetary Fund by \$8.4 billion, prompting another of Mr. Reagan's hard sells. In his weekly radio address yesterday, the President insisted that the nation didn't stand to lose a dime; the money would be repaid, he said, with interest. House Speaker Thomas P. O'Neill Jr. postponed action on the measure, a version of which the Senate has already adopted. Mr. O'Neill estimated that the increase — criticized as a bailout for banks that had made unwise overseas loans — would have attracted no more than 130 votes.

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The World

New Lebanon Has The Same Old Missing Pieces

Israel ordered a phased pullback of its troops near Beirut last week, ducking out of the lethal feud between Christian militiamen and Druse villagers in the Shuf mountains. The partial withdrawal, President Amin Gemayel feared, could mean de facto partition — leaving Lebanon's north and east occupied by Syrians and Palestinians, the south under Israeli control and Mr. Gemayel's own sovereignty largely confined to greater Beirut.

Jerusalem decided to pull back to the Awali River after Syria had rejected Secretary of State George P. Shultz's plan for complete withdrawal, to which Israel had agreed. War-weary Israelis have been tormented by the casualty toll, now at 505, contributing to a drop in Prime Minister Menachem Begin's popularity. The withdrawal would gradually return 193 square miles of Lebanese territory to a reconstituted Lebanese Army, with logistical support from the multinational force of Americans, French and Italians.

Syrian newspapers condemned the move as a Lebanese Christian-American-Israeli plot to permanently divide Lebanon and threaten Damascus, which would remain within easy range of Israeli artillery.

Announcement of the long-rumored partial withdrawal came 24 hours after Mr. Begin abruptly canceled a scheduled trip to Washington this week. In a five-minute telephone call to President Reagan, he mentioned only "personal reasons" for not coming, it was said. Officials analyzed his no-show motives as a melange of health and politics — frail physical health, depression since his wife's death last year, domestic insistence on extricating Israel from the Lebanese quagmire and Mr. Begin's disinclination to face Washington's objections to partial withdrawal.

Mr. Gemayel, keeping his own appointment with President Reagan, blamed Syria for an upsurge in Beirut violence. Rockets launched from the hills hit the airport and a score of other targets, killing more than 20 Lebanese and wounding dozens, including three American servicemen. Authorities said the airport shelling came from Druse-held areas. Walid Jumblatt, a Druse leader, justified the attack on Lebanese army positions, contending the army is controlled by Phalangist Christians who have been fighting the Druse.

President Reagan announced Philip C. Habib had resigned as his special Middle East envoy and would be replaced by Robert C. McFarlane, a National Security Council aide. Mr. Habib helped negotiate the Israeli withdrawal accord, angering Syria, which has since refused to receive him in Damascus.

The Curtain Gets Stuck at Madrid

Three years of tedious diplomacy gave way to less subtle examples of statecraft in Madrid last week, as the conference on East-West Relations in Europe drew fitfully toward a close. While the chief American delegate and his Soviet counterpart swapped acrimony on human rights issues, the island nation of Malta kept everyone from going home by refusing to approve the final document unless it called for a follow-up conference on Mediterranean security.

Max M. Kampelman, the American, took the floor to denounce continuing "repression of human beings in the Soviet Union," and Sergei A. Kondrashev, the Russian, responded that Mr. Kampelman's speech was "unworthy, falacious, injurious."

The agreement, considered the first significant addendum to the 1975 Helsinki accords that put détente into writing, was considered important to the West in its inclusion of Soviet recognition of some labor organizing and religious freedoms. (Symbolic-

cally underlining the latter, a group of 16 Siberian Pentecostals arrived in America last week; Moscow's release of them after 20 years of pleading was considered a nod to Madrid.)

For its part, the Soviet Union got approval of a Conference on Confidence- and Security-Building Measures and Disarmament that is scheduled to open in January in Stockholm. The scope of that meeting was broadened to please the West Germans, who sought some discussion of tension-easing measures that would make deployment of new American missiles in Europe more acceptable back home.

Such accommodations cut little ice with the International Helsinki Commission, a federation of private citizens groups from Western countries. In a statement, the organization said it was "deeply distressed" by continuing human rights abuses in some Soviet bloc countries that signed last week's addendum.

Martial Law Ends, Effects Persist

Poland put an end to 19 months of martial law last week but the "liberalization" seemed mostly symbolic. The generals and colonels kept their key Government positions. A partial amnesty offered conditional freedom — on probation — to more than 100 political prisoners. But Polish officials said 60 others, notably Solidarity union leaders and dissident intellectuals, would stay in prison; some of them face charges of "anti-state" activities. The rubber-stamp Parliament voted, 386 to 1, to empower the regime to declare a state of emergency any time the Polish national pattern of periodic strikes and protests is repeated.

Lech Walesa, Solidarity's founder, said the changes would make matters worse by codifying the means of repression. He added, "I think society will not give in to this dictatorship and will find ways out."

Poland hoped the actions would persuade Western countries to lift sanctions imposed after martial law was declared on Dec. 13, 1981. American officials said they would await the effects of the prisoner amnesty before deciding whether to ease some curbs. Polish officials were prickly on that score. Referring to the suspended refinancing of \$26 billion in debts to the West, a spokesman in Warsaw suggested Poland would try to subtract "billions of dollars" from what it owes the United States on grounds that Washington had acted illegally in breaking economic ties.

President Wojciech Jaruzelski taunted Westerners for "trying to apply the carrot-and-stick method," which he said "turned out to be laughable as the stick is too short and the carrot not fresh enough." He credited the largely peaceful behavior during last month's visit of Pope John Paul II with preparing the way for liberalization. Parliament, deferring at least temporarily to a request by church authorities, delayed passage of laws that would make it a crime to belong to a banned or secret organization or to give foreigners information that might "harm Poland."

Sympathy Won't Help

As the death toll rose to seven in the Orly airport bombing, the French Government last week painfully weighed its longstanding sympathy for Armenian nationalism.

The bomb, hidden in a suitcase, devastated the Turkish Airlines counter and wounded 55 people. Officials believed it was meant to explode inside an Istanbul-bound plane — in revenge for a wholesale Armenian massacre by the Turks early in the century and confiscation of Armenian lands in Turkey. France, which is home to 300,000 Armenians, has repeatedly chastised Turkey for not acknowledging their grievances.

But France has been tormented by terrorists for some time, and President François Mitterrand had pledged a crackdown. By week's end, police had raided strongholds of the Armenian Secret Army for the Liberation of Armenia, confiscating arms and capturing Varadjan Garibedian, a Syrian of Armenian extraction who claimed to be the leader and bomber. Western diplomats have reported financial ties between the Syrian Government and the Secret Army.

The raids yielded 50 other Armenians believed to have links to the terrorist group, of whom 20 were being held without charge. French officials said as many as 11 would be expelled; some are Iranian citizens. Turkey requested extradition of those with Turkish passports. But the Second World Congress of Armenians, meeting in Switzerland, appealed to the French "tradition of justice and freedom to insure that those Armenians are not handed over to their enemies" and "certain death."

Henry Glinzer,
Milt Freudenheim
and Carlyle C. Douglas

Administration Certified Progress on Salvador Human Rights Last Week

Footnotes to an Embassy 'Grim Gram'



Mourners at funeral for 'death squad' victim in San Salvador.

By LYDIA CHAVEZ

SAN SALVADOR — A visitor to El Salvador cannot miss them. Nearly every day, two or three pictures of the dead appear in the morning papers, their faces caught in black-and-white above the caption "assassinated" or "disappeared." Only a fraction of the missing make the papers, but the pictures appear with numbing regularity: being "disappeared," often by Government security forces freelancing for the extreme right, is a common form of death.

The Reagan Administration must certify to Congress every six months that the Salvador Government "is making a concerted and significant effort to comply with internationally recognized human rights." The Administration said it again last week, producing the last certification under the expiring current law. (The Supreme Court recently declared Congressional vetoes unconstitutional but it remained unclear how this would affect foreign policy constraints.)

But Secretary of State George P. Shultz admitted that El Salvador's rights record "falls short of the broad and sustained progress" the United States seeks. He cited failures of discipline in the security forces and the inability of Salvadoran authorities to assure that suspects "who commit gross violations of human rights will be brought to justice and held accountable."

The certification process has come under sharp attack from those who see it as undue interventionist pressure and by others who say that any leverage to force improvement has been undercut by the Administration's generous definition of progress. Judging by the latest reporting period, certification has had little effect in improving human rights. The American Embassy reports to Washington on civilian deaths caused by political violence in what its staff refers to as the "grim gram." In the last six months, political deaths rose 12 percent to 1,064, the embassy reported. Two other human rights organizations put the total at nearly 3,000.

During the same period, right-wing death squads reappeared in the capital; little progress was made in prosecuting the National Guardsmen responsible for killing four American church-

women 2½ years ago and two American labor advisers in 1981, and the Government's Human Rights Commission demonstrated little clout. New evidence has been introduced that can mean further lengthy delay in sending the women's case to court.

Deane R. Hinton, who left two weeks ago after two years as United States Ambassador, said his biggest frustration had been "the failure to date to see justice done to the killers" of American citizens. As for the latest figures, "Everyone is going to give us holy hell for the increase," Mr. Hinton said. But he noted, "the numbers are one-seventh or one-eighth of what they were three years ago." He added, "You've got to change the thought processes of thousands of people. It's happening too damn slowly for us, but it's happening."

It was not clear why the deaths increased. An official in the Roman Catholic Archdiocese Legal Aid Office said the rise could have been triggered by far rightists' unhappiness with the amnesty for political prisoners and suspected guerrilla sympathizers. But a Salvadoran lawyer blamed a rightist reaction on the possibility of Government contacts with leftists about their participation in presidential elections. "Some of the right are very nervous about this dialogue even if it doesn't have much chance of succeeding," he said.

A Frustrated Commission

The Government has remained virtually unable to punish those responsible for the killings. Prosecution is difficult, provisional President Alvaro Magaña said "because some of those responsible for doing the investigating are related" to the activities. The Government tried to strengthen its hand by forming the Human Rights Commission. In the January certification, the Administration cited the naming of the commission as evidence of progress. But the group has had few accomplishments to report. It launched an inquiry, for example, in the case of an army captain who was implicated in a February massacre of 18 peasants in the western province of Sonsonate. The Government failed to prosecute and instead, the captain is now head of intelligence in Sonsonate.

Washington found more encouragement in the Government's 60-day amnesty program. More than 500 political prisoners have been released

and more than 100 guerrilla supporters reported to ask for Government protection. But critics point out that most of the prisoners should never have been locked up in the first place. Moreover, most of the former political prisoners felt little confidence in the purported improvements and were trying to leave the country. The Constituent Assembly has temporarily renewed a revised amnesty law; the new law, which expires Aug. 15, protects insurgents who wish to turn themselves in, but it does not apply to political prisoners.

Church representatives said that despite the amnesty, the Government, using its powers under the state of siege, can still hold prisoners without cause for up to 15 days.

"Archbishop Arturo Rivera Damas has said that it is a good start but it does not cover all the aspects that must be covered," said a church leader who asked not to be identified. As long as the state of siege operates, human rights violations will continue, he added. A political researcher added that the number of Salvadorans who have disappeared since January has risen to more than 500.

The rising curve on the death charts is of particular concern because American and Salvadoran officials expect violence to increase when presidential campaigning begins in September. "Politics in El Salvador is a rough game," Ambassador Hinton has noted in an understatement.

The certification process has been criticized on grounds that it does not attempt to report on human rights abuses by the leftist guerrillas. In the latest reporting period, these abuses became worse, although they account for only a small fraction of the total according to the archdiocese legal aid office. Generally, when leftist guerrillas have attacked a town, they take prisoners and later release them. However, in at least one recent case in Nueva Granada, residents said, the guerrillas executed five men from the local civil defense militia.

In defense of El Salvador's human rights record, one diplomat conceded it would take a long time to make significant progress; the important thing, he insisted, is that "the country is on the right track." President Magaña, however, has said that progress in El Salvador is so subtle that sometimes it can hardly be noticed.

A Lull in the Desert War, but for How Long?

The Wild Card Is Qaddafi As Bidding Rises in Chad

By CLIFFORD D. MAY

NDJAMENA, Chad — For a country at war, Chad now appears remarkably peaceful. Soldiers in the capital relax in the shade by day and relax in the bars by night. There have been some recent skirmishes in the north, but even those exchanges were dismissed by a Government spokesman as "not very violent, not very intense."

Since the Government forces of President Hissen Habré recaptured the northeastern outposts of Abeche, Biltine and Oum Chalouba two weeks ago, there has been a mood of growing confidence. No one seems to want to spoil it by dwelling on the fact that the most important battle of the war is probably yet to come.

It was about a month ago that rebel forces, commanded by former President Goukouni Oueddei and supported by Col. Muammar el-Qaddafi, the Libyan leader, moved from their stronghold in the mountainous north of the country to capture the city of Faya-Largeau. Although President Habré has vowed to "liberate every inch of our territory from this aggressor," no one seriously expects him to retake the rebel stronghold of Bardai or to oust the Libyans from the Aouzou strip along the border, a stretch of land Libya has occupied for the past decade.

In the current round of the war, President Habré's main objective will be to keep his pledge to recapture Faya-Largeau. When he will try it is difficult to say. Whether he can succeed, even more so. Military and diplomatic analysts in Chad say it appears that President Habré is building up a logistical base at Oum Chalouba, bringing in weapons, ammunition, fuel and food in preparation for a 200-mile thrust across desert terrain to Faya. His forces will need sufficient supplies not

only to get there, but also to get back, should rebel defenses prove impenetrable.

A drive across the desert would be extremely vulnerable to attack by air, and although Mr. Goukouni hasn't that kind of air power, Colonel Qaddafi has. Intelligence reports released in Washington and confirmed by Western diplomats in Chad indicate that both Italian-made Marchetti and Soviet-made MIG's have recently been moved from southern Libya to the Aouzou strip. Such planes could be used to airlift troops into Government-controlled areas and provide air support for ground attacks.

In deploying his air force against the Habré Government, however, Colonel Qaddafi would be abandoning the position he and Mr. Goukouni have taken that the Chadian war is essentially an internal affair. It may have started out that way, but that has not stopped Libya from stepping in.

Turning the Tables

Mr. Habré and Mr. Goukouni, both Moslems from the north, were comrades in arms in the rebellion that led to the overthrow of the southern Christian-dominated Government in 1979. Mr. Goukouni emerged as President and Mr. Habré's forces subsequently broke with him. With the help of Libyan armed forces, Mr. Goukouni drove his former ally into exile in the Sudan in 1980 after nine months of fighting.

The tables were turned in 1981, when Libya, under international pressure because of its apparent plan to annex Chad, withdrew its troops. Six months later, the Goukouni Government fell to Mr. Habré's forces. Since then, with what has been claimed to be only logistical support from Libya, Mr. Goukouni's government-in-exile in far northern Chad has sought to return to power.

France, which formerly colonized the region and is sympathetic to Mr. Habré, has suggested a renewal of direct Libyan intervention could provoke a French response in kind. "It would certainly cause us to review the situation," a French diplomat said. The Habré Government, which has repeatedly requested direct military assistance from France, last week displayed a prisoner identified as a captured Libyan soldier as "physical proof" of Mr. Qaddafi's role. The prisoner reportedly said about 1,500 Libyans were fighting alongside the rebels. All of which suggests that the current mood of tranquility is unlikely to last.

Although French President François Mitterrand has so far refused to send troops, he has sent weapons, equipment, money and intelligence advisers. Whatever training, guidance and weapons maintenance those advisers have not provided, have been obtained from "unofficial" personnel who "have nothing to do with the French authorities," in the words of one French diplomat.

President Habré, meanwhile, has repeatedly asserted that his war is not against a rival Moslem faction but against "social-imperialism, Libya backed by the Soviet Union." In so doing he has placed himself more firmly than ever in the camp of African nations inclined toward the West rather than Moscow.

Recognition of that new slant came last week, when President Reagan granted \$10 million in military and other aid to Chad. A senior Western diplomat acknowledged that, as well as to comfort Mr. Habré, the gesture was meant to signal all involved of Washington's stake in the outcome.

At the same time, former President Goukouni is now widely viewed as little more than an instrument of Libyan interests and ambitions. He appears to have almost no support in southern Chad, where many hold either Christian or traditional African beliefs. In that region, President Habré, who favors a secular rather than an Islamic Chad, is seen as by far the preferable choice.

Colonel Qaddafi remains the wild card in the game. His devotion to the rebel cause has cost him much time, energy and money. A loss in Chad would come as a heavy blow, and that will likely depend on the next battle of Faya-Largeau — a showdown that now seems all but inevitable, with an outcome no one can foresee.



Max M. Kampelman

Portugal Is the Latest Landlord to Demand More Millions for Base Rights

Uncle Sam Pays a High Price for Being in 359 Places at Once

By RICHARD HALLORAN

WASHINGTON—American diplomats sat down with Portuguese officials in Lisbon last week to resume arduous negotiations toward renewing United States rights to an air base in the Azores. No one is saying what the price will be but the Portuguese are asking for much more than the \$140 million in military aid they got under an agreement that expired in February. Earlier this month, the United States concluded a renewed base agreement with Greece that calls for \$500 million in military assistance; last month, a basing pact with the Philippines carried a \$800 million price tag.

Other than troops themselves, United States military outposts abroad are among the most visible evidence of American commitments to other nations and are critical to executing a doctrine that some analysts refer to as forward defense (also known as forward deployment). Moreover, the bases are visible evidence of the cost of that doctrine.

Since the Spanish-American War in 1898, the United States has increasingly sought to defend itself with military forces far from American shores. The most recent expansion of the basing network began in 1980, after President Carter responded to the Russian invasion of Afghanistan by asserting that a Soviet threat to oil resources around the Persian Gulf would "be repelled by any means necessary, including military force."

With that commitment, Mr. Carter dispatched aircraft carriers to the Indian Ocean, organized the Rapid Deployment Force and negotiated agreements to gain access to bases in Egypt, Somalia, Kenya and Oman. Construction at the naval base and airfield on Diego Garcia, a small British island in the Indian Ocean, was accelerated. President Reagan continued those efforts and embarked on a shipbuilding program that includes three battle groups costing \$18 billion apiece (each group includes an aircraft carrier, 100 planes, and cruisers, destroyers, and submarines).

No one agrees on the overall cost of keeping troops, ships and planes on distant seas and shores because such calculations vary according to the forces and supporting elements that are included or omitted. But it is generally agreed that forward deployment is the single largest cost in the military budget of the United States.

The Defense Department has reported to Congress that United States forces committed to the defense of Western Europe cost \$105 billion in 1982. Senator Ted Stevens of Alaska, chairman of the Defense Appropriations Subcommittee, has estimated that cost would be \$133 billion this year. Earl C. Ravenal, a former Pentagon analyst now at Georgetown University, has asserted that United States commitments to Europe, Asia and the Persian Gulf region would cost \$212 billion in 1984.

Maintaining overseas bases is no small part of those costs. By the end of World War II, the United States had acquired a string of bases that stretched from Korea in Northeast Asia around to Iceland in the North Atlantic. Ten years ago there were 325 sizeable installations outside the continental United States, including a few in American territories such as Guam. Today, the total is 359, not including foreign military bases to which American forces have access but not control.

In contrast, the Soviet Union has come but recently to what military officers call power projection and has few military units abroad, save for the massive land and air forces occupying Eastern Europe and the forces that invaded Afghanistan in late 1979. Soviet ships and aircraft are limited to access to bases in countries such as South Yemen, Ethiopia, Vietnam and Cuba. A combat brigade has long been stationed in Cuba and Soviet warships and aircraft call there frequently. Elsewhere abroad, the Russians, East Europeans and Cubans have large numbers of military advisers.

The bulk of American forces overseas has changed year by year. American forces have been thrown out of bases in Libya and Saudi Arabia. The advance of technology has permitted the Pentagon to close others, such as a communications base in Ethiopia that was made outmoded by satellites. Urban growth has pushed American forces out of Tachikawa, one of the air bases in Tokyo; it was in a rural setting when the Americans first moved in after World War II. In Vietnam, American forces were withdrawn and bases closed as the war there came to a close. But the buildup of American forces in Europe has meant 176 posts for the Army alone in Germany.

For many years, the writ of United States forces on bases abroad was unchallenged. But rising nationalism has changed that. In 1980, the Japanese demanded a new treaty that gave them more control over American forces in their country. The island of Okinawa, taken by American troops in costly battles during World War II, was returned to Japan in 1972 and a number of restrictions imposed on an air base and marine garrison. Sovereignty over Clark Air Force Base and Subic Bay Naval Station in the Philippines was given to Manila in 1976; today the Filipino and American flags fly over the bases and a Filipino

officer is in command. In Oman, Kenya and Somalia, Americans have even less say. They have been granted access but under tight restraints and must pay for improvements that eventually will revert to the host nation.

Access to some bases is not acknowledged to avoid offending local sensitivities. Pentagon officials have informed Congress, perhaps inadvertently, that a secret air base in Egypt had been made available to American forces.

Political problems connected with foreign bases have multiplied. American negotiations with Egypt over access to Ras Banas, an Egyptian base on the Red Sea, collapsed in the spring after a dispute over construction contracts. President Marcos of the Philippines told visiting American Congressmen he would seek a deal with the Soviet Union if Capitol Hill did not like a \$300 million package of military aid with the new basing agreement. Prime Minister Papandreu of Greece asserted that his new agreement requires the United States to withdraw at the end of five years; the State Department says only that the pact can be renegotiated.

Rent by Another Name

Because most base agreements are made public, every nation negotiating with the United States demands a deal at least as lucrative as that reached in the last negotiation. American officials say the Greeks had diplomatic observers in Manila during negotiations there. "Open conversations, openly arrived at," signed an American official. "Mr. Wilson would be proud but it sure complicates things."

American officials all insist that "we don't pay rent for foreign bases" because the agreements contribute to the common defense. But they say privately that military aid packages tied to basing agreements are euphemisms for rent.

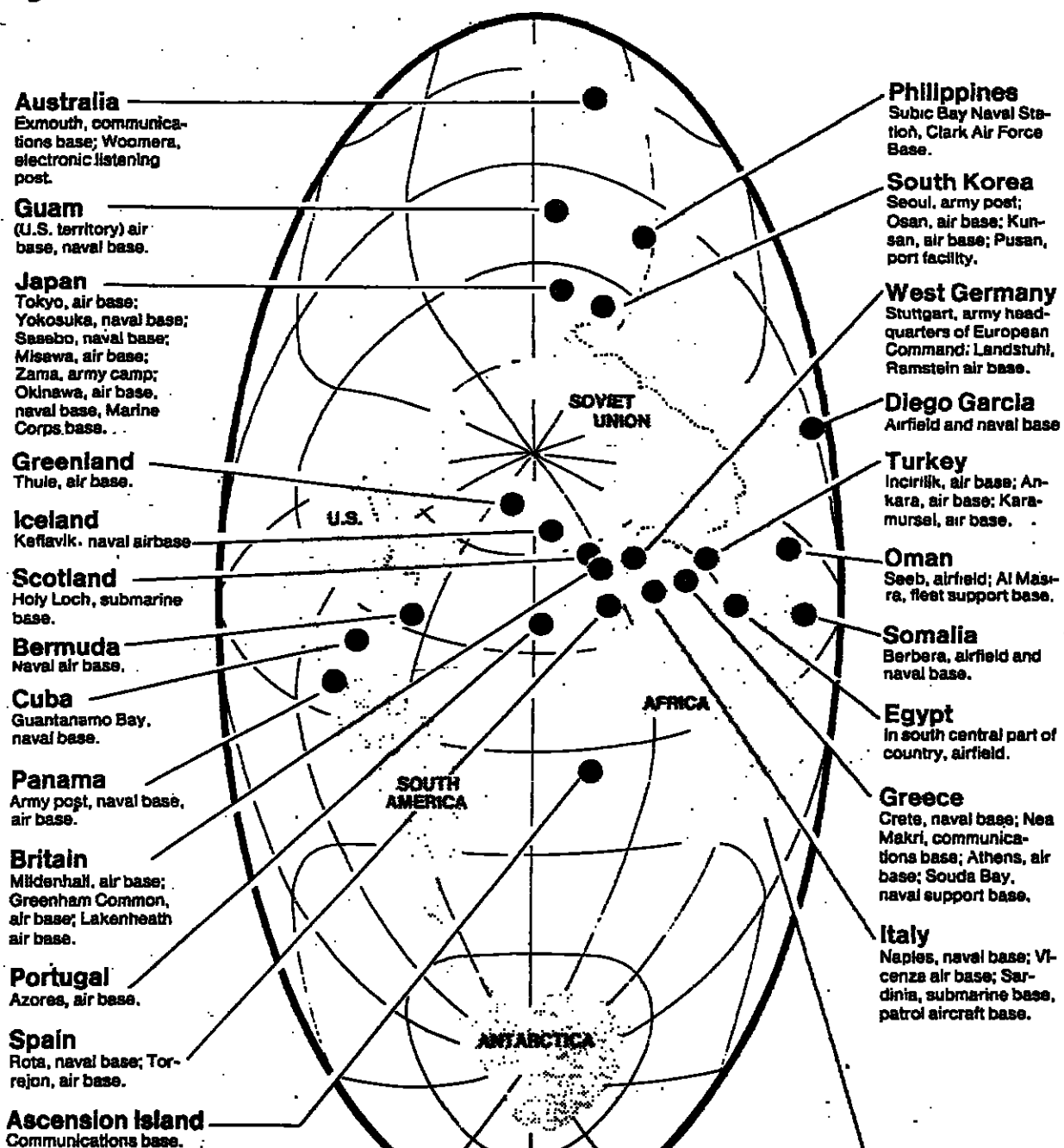
Beyond that, the cost of maintaining bases has risen steadily. The Reagan Administration has asked Congress for \$9.5 billion for military construction in 1984, about half of it to be invested outside the continental United States. That includes spending \$1.4 billion in Europe to build ground launching sites for cruise missiles, facilities to support tanks and rocket launchers, fuel storage, and family housing. In Turkey, \$35.6 million has been requested, including \$7 million to build an addition to the high school at the Incirlik air base. Construction in Oman would cost \$39.6 million, expansion of installations at Diego Garcia calls for \$92.7 million, and 55 projects in South Korea are priced at \$143.3 million. Another \$210.8 million was allotted to secret basing projects around the world.

The political costs of bases overseas are immense but still evident. Many basing agreements are stipulated with Statute of Forces Agreements that govern ticklish questions such as customs duties for imported household goods, taxes and, especially, jurisdiction over American military personnel accused of crimes.

Security of bases abroad has always been tenuous. Some installations would be vulnerable to mob attacks if local police or armed forces permitted; the political and diplomatic repercussions could be too high if American troops used force to resist the invaders. More recently, the threat of terrorists breaking into nuclear storage depots in Europe has given American officers nightmares and stimulated a new program of protective measures.

The politics of bases abroad produce anomalies. The United States maintains a naval station at Guantanamo Bay despite Fidel Castro's rule in Cuba but has not accepted access to Israeli bases despite invitations from the Israelis. The United States has acquired the right to use a base the Russians built in Berbera, Somalia. But then the Russians have ships and aircraft stationed at the large installation built by the Americans at Cam Ranh Bay in Vietnam.

Key United States bases abroad



Madagascar Has An Asset the U.S. Just Can't Ignore

By ALAN COWELL

ANTANANARIVO, Madagascar — The Indian Ocean loomed high not long ago in the strategic considerations surrounding the oil routes to the West. Instability in the Persian Gulf contributed to the concerns that prompted the United States to establish for emergency use a string of facilities stretching from Mombasa, Kenya, through Berbera, Somalia, and on to Oman.

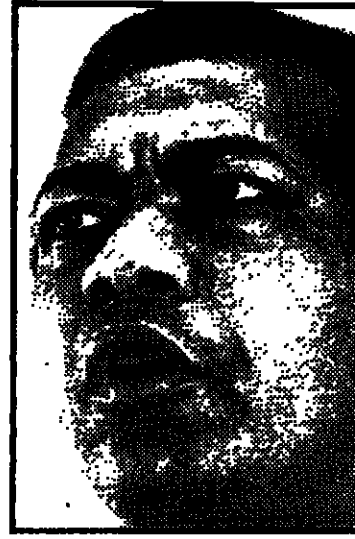
The focus these days seems to have shifted to the traditionally war-torn Middle East and, closer to home, to Central America. But the jockeying in places like this 1,000-mile-long island off southeast Africa continues. East still confronts West for influence and the rivalry of conflicting ideologies seems particularly untempered.

This place hardly looks like a great prize. True, it has a history that predates colonial rule, and a sense of tradition and pride that is absent in some nations on the African mainland 300 miles away. And it does occupy a position on the sea routes around the Cape of Good Hope. But it is a poor spot, run by a mistrustful — some say paranoid — President, Didier Ratsiraka, whose economic policies have brought deprivation and disaffection. As a client, it is an expensive proposition.

But Madagascar boasts one attribute that neither East nor West is prepared to ignore — the deep-water port at Diego Suarez on the northern tip of the island. The harbor there, by a historic irony, became a tactical asset in World War II when the Western allies occupied Madagascar. Then, the concern was not to hold the place in perpetuity, but to prevent a hostile power — in those days, the reference was to Japan — from setting foot on it. The calculation is similar today.

"What we want in Madagascar," a senior Western diplomat said, "is genuine nonalignment." In diplomatic code, that means keeping the Russians out of Diego Suarez. Thus far, the Western line seems to be holding, thanks in part to the dependence this country shares with other third world countries on the industrialized world.

Mr. Ratsiraka first came to prominence in 1972 as the foreign minister who opened Madagascar to the Communist world. He assumed the presidency in 1975. The French Foreign Legion was expelled from Diego Suarez and Madagascar turned militarily to the Soviet Union and its allies. North Korea gave a handful of MIG-17's, complete with pilots, as a gift. The Russians supplied MIG-21's, tanks and anti-aircraft guns on more commercial terms. The United States was reviled in the officially controlled press as a Malagasy version of the "great satan" and diplomatic relations, although not broken, went on ice. In 1971, Madagascar expelled the United States ambassador and five members of his staff, and closed a



Gamma-Liaison/Jean-Claude Francon
Didier Ratsiraka, the President of Madagascar

NASA tracking station. In 1975 the Government refused to accept Washington's appointee as ambassador. A year later, two American oil companies were nationalized and two embassy officials expelled. Simultaneously, however, President Ratsiraka embarked on development policies that produced a massive debt of \$1.5 billion just as Western economies began to slide, so that prices for Madagascar's exports went down while interest rates went up.

A Temporary Flirtation?

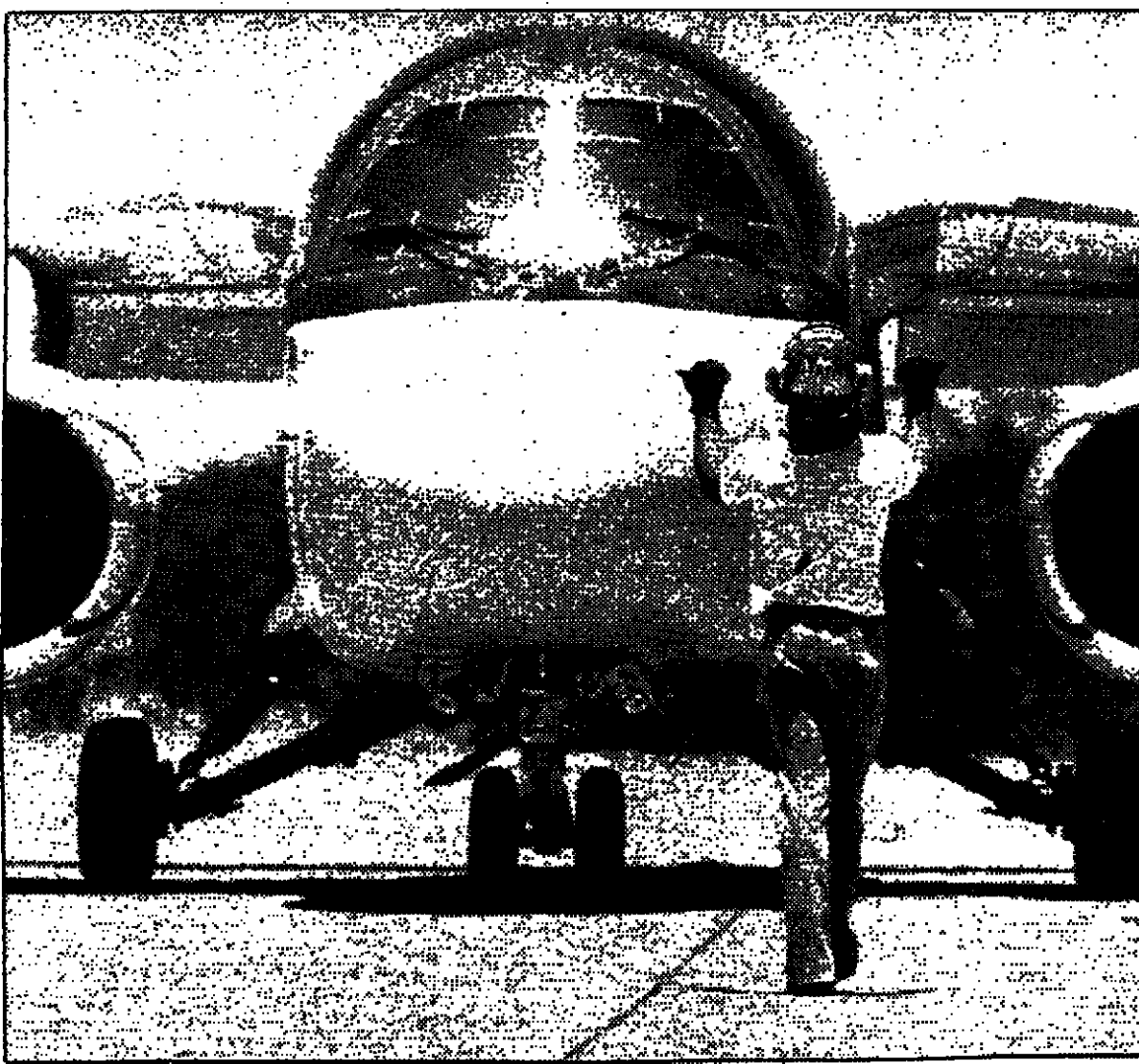
Hence the 1979 reopening to the West began for economic, not political, reasons because the East could not deliver the help the country needed. In 1980, Madagascar signaled a change in its attitudes by agreeing to the appointment of an American ambassador, Fernando E. Rondon, who is credited with restoring a semblance of friendship.

These days, three American oil companies are prospecting in Madagascar, the United States supplies food, high American officials have paid visits and the press no longer adopts such a ferocious attitude toward America. What nobody knows, however, is how long this courtship of convenience will last. Some presidential aides assert that the flirtation is a temporary measure that does not deflect the country from the long-term goal of socialism and association with what is called the progressive world.

But here, as in many other places in Africa where it was the colonial power, France is the West's front-runner. French aid in various forms totaled \$150 million last year, reflecting interests that vary from historical and cultural obligations to strategic concerns. By stroking Madagascar, France is seeking to reduce a perceived threat to other Indian Ocean islands, notably La Réunion, where it maintains a military presence that the Soviet Union does not like.

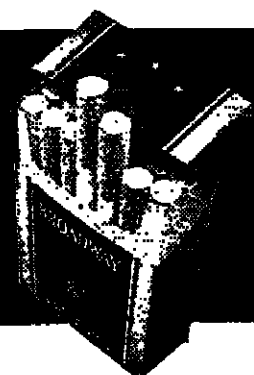
France garrisons troops, too, in Mayotte, an island in the Comoros archipelago that does not want independence from Paris, and in Djibouti on the approaches to the Red Sea. With the American base on Diego Garcia and Washington's staging agreements in Kenya, Somalia and Oman, that seems to add up to a Western presence that the Soviet Union cannot easily challenge.

The Soviet design, however, may be computed on a longer time scale. Several thousand young Malagasy people have been sent to the Soviet Union to be educated, as if the intention were to create a cadre of support that will be useful later. And, in President Ratsiraka, the "progressive world" has found a man who likes to present himself on the international stage as a fighter against imperialism. Even the World Cup soccer tournament, he told this year's nonaligned summit in New Delhi, is an example of how the industrialized world bullies and manipulates the less fortunate citizens of the developing countries.



Naval antisubmarine plane being guided to takeoff position at Subic Bay Naval Station in the Philippines.

BROADWAY 80



I'm glad I changed.

WARNING — The Ministry of Health has determined that smoking is harmful to health

The Nation

No Scars Yet In Duel Over Carter Papers

A Congressional inquiry into the purloined Carter campaign papers showed signs of settling into trench warfare last week.

After a House subcommittee's negotiations with the White House bogged down over access to a store of Reagan campaign papers, the chairman of the panel, Michigan Democrat Donald J. Albosta, mused aloud about seeking a subpoena or two. Mr. Albosta said a counterproposal by White House counsel Fred F. Fielding — that the subcommittee forage among Carter campaign files as well — wasn't acceptable.

Also rejected was an alternative that had been dusted off by Mr. Fielding: that any goodies discovered by the Federal Bureau of Investigation during its perusal of Reagan campaign documents on War, Revolution and Peace in California would be duly provided to House investigators. "We don't want something given to us by the F.B.I. and the Justice Department that may be only part of the story," said the chairman.

Nor apparently was much headway made on Friday in the panel's talks with the Justice Department over access to Reagan campaign files already in the agency's possession. Mr. Fielding had written the committee on July 20 that it would have "access to all the materials and information developed in the Justice Department's investigation." A spokesman for the department said the lack of progress wasn't all that significant. "Today was the first time they asked for anything," the official said, not-

ty's Armageddon," said David Roberti, president pro tem of the State Senate. Other Democratic spokesmen — ostensibly distressed about the cost of the special election, some \$14 million — said the election plan was unconstitutional and they would go to court.

Meanwhile, after a bitter stalemate that lasted almost three weeks, leaving 10,000 state employees without paychecks (and those due welfare, unemployment and disability payments getting their money only under a court order), the Legislature approved a \$27 billion budget bill. Late in the week, Mr. Deukmejian signed it — and made more than \$1 billion in cuts, using, he said, "a scapel rather than a meat axe."

"This budget makes an important statement about our commitment to restore common sense and fiscal solvency to state government," said the Governor, "and to do so without adding general tax burdens on our citizens." A Democratic spokesman asserted that the cuts — including reductions for state community colleges, worker safety programs and a state farm labor board and the outright abolition of the California Public Broadcasting Commission — were "sadistic."

Draft Opponent Back on the Hook

A Federal district judge ruled in November that the Government had improperly revived registration for the draft and had then unfairly sought to prosecute a California man — a vocal opponent of registration — for refusing to sign up.

But in San Francisco last week, a Federal appeals court panel ruled, 2 to 1, that registration had been correctly implemented in 1980 by the Carter Administration. The judges also reinstated an indictment against David A. Wayne, a former Yale University philosophy student, maintaining that he hadn't shown that the Government singled him out. "Because Wayne presented no evidence that this prosecution was motivated by his First Amendment (free speech) activities, the district court's finding of selective prosecution was clearly erroneous," said Appellate Judge Eugene Wright, who was joined by John Coughenour, of Seattle. "District judge assigned to the panel: In a dissent, Appeal Judge Mary Schroeder said: 'The effect of the majority's decision is to permit the Government to prosecute a citizen because he has spoken out rather than because he has violated the law. The result weakens our indispensable but fragile freedom to express unpopular ideas.'"

A lawyer for Mr. Wayne said last week's ruling would be appealed. Attorney General William French Smith said that he was pleased with the verdict and that the Justice Department would "continue to prosecute individuals who refuse to register for the draft." Mr. Wayne, president of Draft Action, a coalition of organizations that oppose the draft and registration, said he was "very disappointed" by the ruling. "Every person that has been indicted to date (15) and every pending indictment that we are aware of has been of a person that has been open about his nonregistration and has reported himself to Selective Service," Mr. Bomberger said.

Ethics Vote for Stiffer Penalty

The House ethics committee recommended reprimands — the mildest form of punishment — but the membership last week voted to censure Daniel B. Crane and Gerry E. Studds for having had sexual relationships with teen-aged Congressional pages.

A few of their colleagues, professing concern about the low public regard in which Congress is held, favored far stronger action: Newt Gingrich, a Republican from Georgia, urged expulsion. Otherwise, he said, "I do not know where these people can turn for leadership." But Farnett J. Mitchell, a Democrat from Maryland, arguing against harsher action, cited the "absolute humiliation and degradation" already suffered by Mr. Crane and Mr. Studds. After the frequently emotional debate, Mr. Crane's censure motion was adopted 421 to 3; Mr. Studds's, 420 to 3.

Mr. Crane, who had already admitted having a sexual relationship in 1980 with a 17-year-old female page, apologized "for the shame I brought to this institution." Mr. Studds — who didn't contest the committee's finding that in 1973 he had a sexual relationship with a 17-year-old male page and had made advances to two other male pages — didn't speak at all during the debate; later though, outside the House chamber, he read a statement conceding he had made "a very serious error in judgment." Under rules of the House, Mr. Studds will be replaced as chairman of the Coast Guard and Navigation Subcommittee.

Michael Wright
and Caroline Rand Herron



James Hamilton

ing that another meeting has been set for Wednesday.

The subcommittee, whose investigation has not been widely welcomed by House Democratic leaders (they suspect it's a distracting waste of time), also sought to give its inquiry a bit more heft. Early in the week, James Hamilton, a widely respected Washington trial lawyer who was once assistant chief counsel of the Senate Watergate committee, was named special counsel. Mr. Hamilton, who had already been advising the committee informally, would "help insure the credibility of our fact-finding mission," said Mr. Albosta.

Meanwhile, in separate letters to the panel, Edwin Meese 3d, counselor to President Reagan, and Michael K. Deaver, deputy White House chief of staff, said that they had no idea how the Reagan campaign — in which they both served in senior positions — had obtained confidential information from the Carter White House, including Mr. Carter's briefing book for his debate with candidate Ronald Reagan.

Carving Up California

The borders of California's 45 Congressional districts were a kind of memorial to the political acumen of the late Phillip Burton, the Democratic Representative from San Francisco who died in April. The reapportionment plan adopted after the 1980 census was largely his handiwork, and it sharply increased his party's share of the state's House delegation.

But the Burton blueprint was rejected in a Republican-sponsored referendum last year and last week, California Gov. George Deukmejian, a Republican, called a special election for Dec. 13 on a new reapportionment plan. Drafted by conservative Republicans, it would give the party an opportunity to pick up an overwhelming share of House seats and to perhaps take control of both branches of the State Legislature, now run by Democrats.

Democrats reacted with predictable rage, concerned especially about the low turnout that would be expected in mid-December. "This is the beginning of our Democratic Par-

Perceived Inflexibility Is Costing Reagan Support

MX Opponents Get Their Second Wind

By B. DRUMMOND AYRES Jr.

WASHINGTON — When President Reagan asked the bipartisan commission to devise a compromise solution to the vexing problem of what to do with the MX missile, the hope was that a decade-long controversy could finally be put to rest.

The commission, headed by Brent Scowcroft, a retired Air Force lieutenant general, recommended that the United States deploy the big 10-warhead intercontinental weapon as a replacement for the aging Minuteman missiles and as an inducement for the Soviet Union to take disarmament more seriously. Then the panel reached out for the MX critics, seeking to mollify them with a call upon the President to show more flexibility in arms-reduction negotiations. It also suggested that the Defense Department begin work on a smaller, less apocalyptic intercontinental missile to be deployed in future years.

For a time, it seemed that the commission had hit upon a satisfactory compromise. But as this month's often bitter Congressional debate has made clear, the MX is once again in trouble. Why? There has been little new in the arguments raised on Capitol Hill for or against the missile. Proponents still say that it is needed to keep the United States militarily strong and to bring the Soviet Union to the negotiating table. Opponents continue to contend that the missile cannot be defended from Soviet attack and therefore will be seen by Moscow as an offensive "first strike" weapon rather than as a deterrent.

But there has now surfaced on Capitol Hill a fresh mixture of partisan politics, intense lobbying by die-hard missile opponents and rapidly rising doubts about the depth of Mr. Reagan's commitment to disarmament negotiations. "Ronald Reagan will get serious about arms control," New York Representative Thomas J. Downey remarked last week, "when the American people tell him and when the Congress begins denying him something he wants."

So serious are the new challenges facing the MX that last week, despite intense lobbying by the President, House opponents of the weapon came within 13 votes of disrupting the Administration's plan to produce and deploy the first batch of 27 of a planned 100 missiles. Then they put an indefinite hold on final action on the defense authorization bill containing that plan.

Mr. Reagan said the House vote, together with upbeat reports on economic activity that had just been released, amounted to "two very welcome pieces of news (that) send important signals to the world." He added: "I think that confidence in America's economic recovery and leadership for peace continue to build." However, on the most recent MX vote in the House before last week's tally, the missile had survived by a relatively comfortable margin of 53 votes.

Nor was the slippage confined to the House. In the Senate, it took MX proponents until Friday to beat down a filibuster that by then was well into its second week. The Senate almost certainly will

approve a plan to purchase 27 missiles when it resumes consideration of the MX this week. But the margin of victory will probably be less than the 50 to 39 margin the missile enjoyed in May, when it was last considered.

MX opponents already are shifting their sights. Boasting that time and momentum are on their side, they are now concentrating their forces for a fight later this summer, or in the early fall, when the Administration must come back to Congress for the money to fund its MX production plan.

Critics Want Flexibility

The opponents, as well as some of the missile's proponents, say that if President Reagan has not shown more flexibility on disarmament by then, the missile could suffer a serious Congressional setback, perhaps even be abandoned. Currently, the Administration's basic approach to disarmament is to talk a good deal about United States missile shortages and to demand that the Soviet Union dismantle much of its big missile force.

The perception that the Administration is being inflexible has, in particular, begun to bother some legislators who previously tried to work with the President on the MX. Among them is Senator Sam Nunn, a Georgia Democrat who is an influential figure on the Armed Services Committee.

"Our position on the MX," he warned at one point last week, "has a great deal to do with the arms-control position of the Administration." Mr. Nunn suggested that the Administration adopt the so-called "build down" disarmament approach. Under that proposal, each side would retire two old nuclear warheads for each new one deployed.

Mr. Reagan's renewed difficulties with the MX can also be traced to a rejuvenated drive against the missile by such opponents as Common Cause, the citizen lobby. Sensing the rising concern about the President's flexibility and the growing concern about the cost of new weapons, they have employed every lobbying tactic from intensive personal contact with legislators to phone banks and mass mailings. What is more, they are now gearing up for an even bigger push in the fall against the appropriations measures. "It'll be hotter when it's cooler," predicts Fred Wertheimer, president of Common Cause.

Politicking has begun to adversely affect the MX's prospects as well. But what seems to be at work now is a cumulative effect in which some Democrats who previously had given the President the benefit of the doubt on some matters, especially the MX, are beginning to complain that they are getting little or nothing in return.

It was this effect that the House majority leader, Jim Wright of Texas, cited last week when he, along with a score of other House Democrats, broke with the President on the MX. "As far as the President is concerned," Mr. Wright said bitterly, "bipartisanship is a one-way street." Among other considerations, Mr. Wright aspires to replace Speaker O'Neill one day and therefore he needs to keep his Democratic credentials in good order. Similar motives may have contributed to the passion of Senator Gary Hart, the Colo-

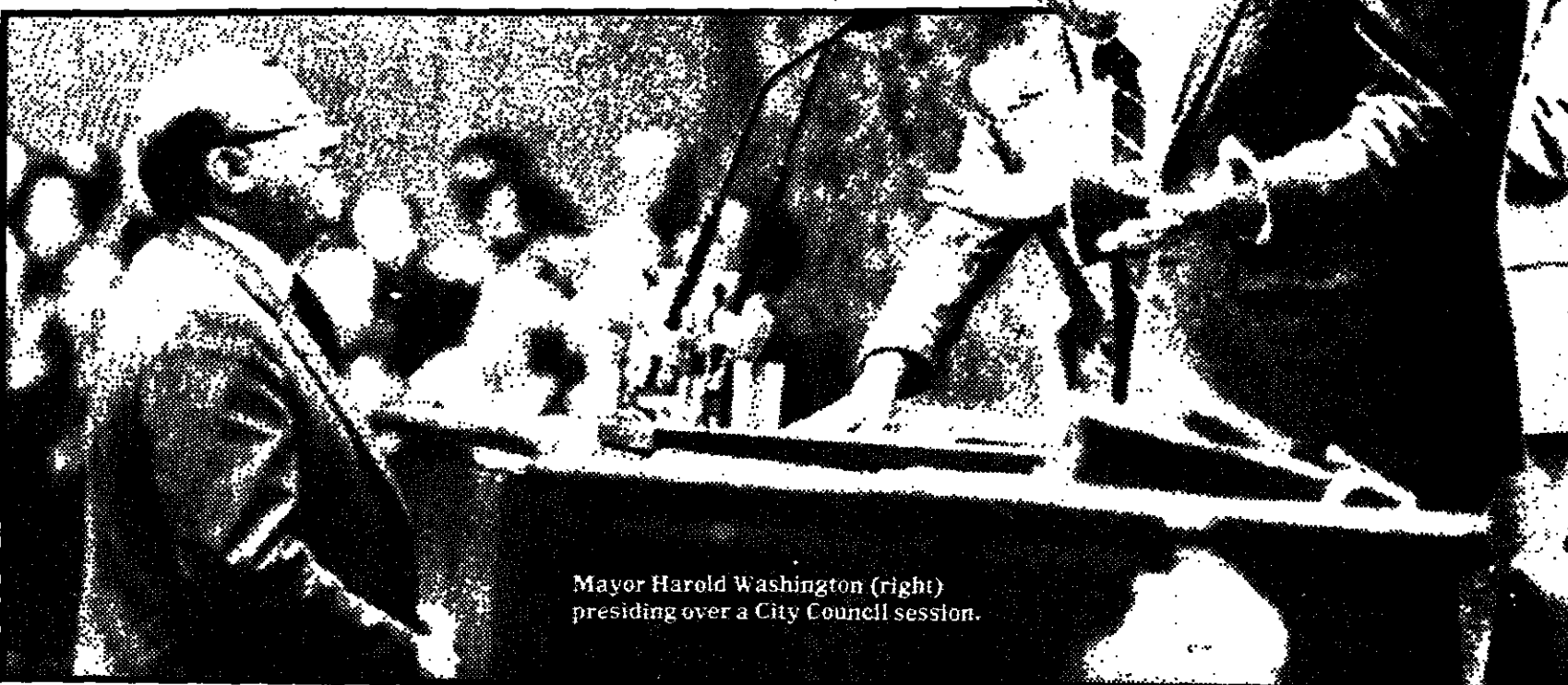


MX missile lifting off at Vandenberg Air Force Base on its maiden flight last month.

rado Democrat who led the anti-MX filibuster in the Senate. While he obviously is genuinely appalled by the concept of the MX, he also is a candidate for his party's Presidential nomination and badly needs to give his campaign a boost.

Mayor to Appeal to the People Tomorrow

The Tie-Up at City Hall Puts Chicago in Knots



Mayor Harold Washington (right) presiding over a City Council session.

By NATHANIEL SHEPPARD Jr.

CHICAGO — While Harold Washington prepared for his inaugural address in April, leaders of the city's Democratic political organization, which the Mayor-elect had vowed to tame, met in secret and put together a majority bloc within the City Council.

It was a shrewd political maneuver by Alderman Edward R. Vrdolyak and his 28 Council allies and it has kept Mayor Washington on the defensive ever since. By beating the Mayor to the draw, the old guard was able to seize control of the new Council at its first meeting and derail, at least temporarily, Mr. Washington's efforts for change. With the Vrdolyak forces heading all of the important Council committees, the Mayor and his allies have been rendered powerless to control the flow of legislation.

Mr. Washington has fought the Vrdolyak takeover unsuccessfully for more than two months, in the courts and out, while city business slowed to a crawl and the city's financial problems continued to mount. However, the Mayor's defeats on some issues have not weakened his resolve. He still has the power to veto certain city expenditures, such as those of the committees controlled by his opponents, and he appears willing to let things drag on, hoping that public opinion will prove decisive.

It is a risky game of political roulette in a city whose residents expect things to work. The rift between the Mayor and the Vrdolyak camp has prevented cooperating to close the city's \$45 million 1983 budget shortfall. At the same time, Chicago faces the prospect of not being able to reopen its

schools on time because of money woes, and had to borrow money to meet the city payroll for July. In a bold stroke of his own, Mayor Washington will take his case — on the city's financial crisis, at least — to the people tomorrow night. He plans to detail his emergency budget proposals for dealing with the red ink in a rare television address, the sort of direct appeal to the public that recent Presidents have used to advantage. Mr. Washington asked five local stations to broadcast his speech and at least one has agreed to do so.

The Mayor is expected to call for a combination of tax increases, substantial reductions in the workforce and sharp cutbacks in other spending. Mr. Washington has said that tax increases are inevitable if Chicago is to weather the current crunch. He may reinforce that view tomorrow, saying that the fiscal problems are even more serious than his previous grim predictions.

Offering Counter-Proposals

In an apparent effort to undercut the Mayor before he presents his financial plan, Mr. Vrdolyak's group plans to issue alternative proposals he says will lower spending and raise revenues. They include furloughing workers two days a month instead of dismissing them, stepping up collections of delinquent corporate taxes and levying occupancy taxes on certain leases.

However the differences in fiscal philosophy are worked out, other big battles remain. The City Council stalemate has stalled the confirmation of three of the Mayor's top appointees, the Corporation Counsel, the Budget Director and the Commissioner of Streets and Sanitation.

The two sides in the dispute are expected to an-

nounce a compromise on the Council reorganization next week, which is likely to speed up approval of the Mayor's choices. The compromise, which will put the Vrdolyak forces firmly in control of the Council, is far from what the Mayor has fought for but apparently the best he could get.

Mr. Washington's defeats have illustrated how badly he underestimated the political organization's will to survive when he described it as "mortally wounded." By keeping Mr. Washington on the defensive, the old guard has been able to chip away at his image by casting him as a flailing administrator.

The changes Mayor Washington had in mind when he was elected would have cost the Democratic political organization its control over government. Organization members felt they were being threatened with ouster from the powerful City Council committees which have become, in some cases, personal fiefdoms.

From the Mayor's perspective, however, it was a matter of meeting the mandate from the grass roots effort that was fueled by the anger of those who felt ignored and was instrumental in his election. His first priority was to redistribute city jobs and services more equitably. Besides, this was the same political establishment that had turned its back on his candidacy in the general election.

By hammering away at the Mayor the Vrdolyak camp may hope to accomplish something that has heretofore been viewed as improbable in Chicago as the election of a black Mayor once was. In portraying Mr. Washington's proposed solutions as extreme, his opponents may be trying to press their case for a switch to the strong-Council, weak-Mayor form of government the city has always had theoretically but never had in fact.

A Protected Detroit Booms Again

By JOHN HOLUSHA

NO one was sure at the time, but in October 1982 the three-year depression plaguing the American automobile industry began to end. That month, car sales started a long, slow climb back from the lowest depths in two decades.

Now, less than a year later, the Big Three auto makers are about to report combined second-quarter profits of about \$1.7 billion, which would equal or exceed the industry's record \$1.73 billion second-quarter profits recorded in the halcyon days of 1977. After inching into the black in 1982, the Big Three are expected to post a robust \$4.7 billion profit this year, within striking distance of 1977's \$5.2 billion peak. Since auto sales are expected to continue rising into 1984 and 1985, the car companies appear to be headed for a boom time reminiscent of the mid-70's.

Surprisingly, though, there is little sense of rejoicing in either the streets or the board rooms of the industry's capital. More than 200,000 auto workers remain on indefinite layoff and thousands more white-collar employees axed in the huge cutbacks of the past few years have little chance of working at their old jobs. Even on the 14th floor of the General Motors building, where top executives work behind two sets of locked and guarded doors, the atmosphere is one of restraint. Eloquent sales forecasts, once routinely issued from the chairman's office, are officially banned.

Years of false starts and stumbles and the knowledge that some fundamental problems still afflict the industry have made most auto executives hesitant to proclaim that happy days are here again. And some of the academicians and government officials who study the industry are quick to cast a dark cloud over prospects for long-term prosperity.

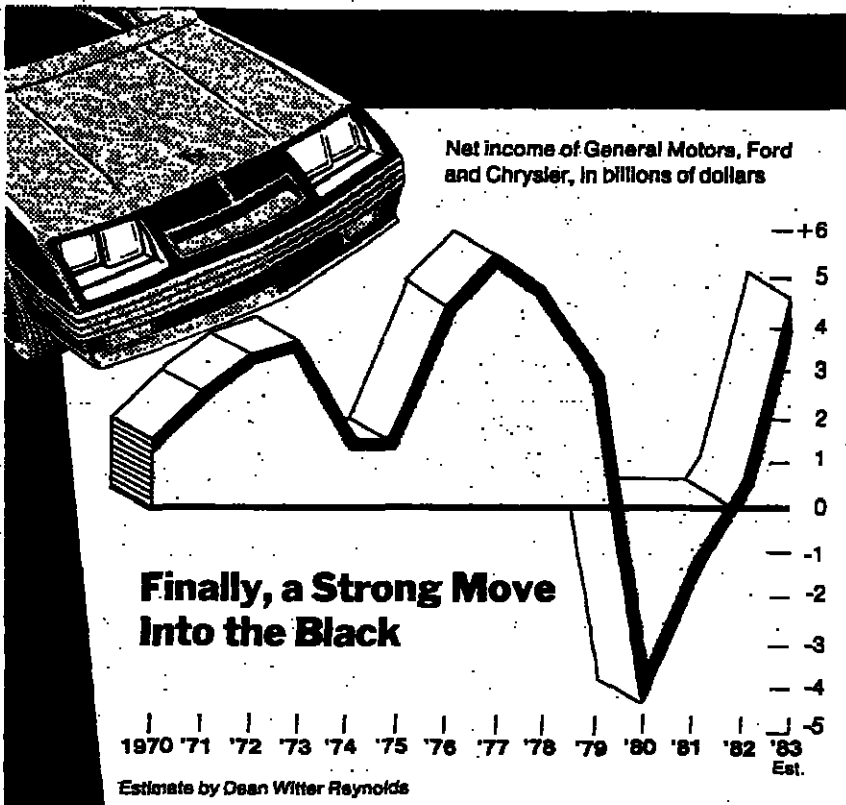
Even Robert D. Lutz, the unfailingly optimistic vice president for sales at the General Motors Corporation, conceded: "The market continues to be fragile. We're more confident, but I don't know if it is ready to stand on its own feet yet."

There are good reasons for a guarded outlook. The auto industry's recovery is, in a sense, artificially induced. It comes in a protected market — one that is shielded from the onrushing Japanese auto makers by a so-called voluntary restraint agreement, which restricts shipments into the United States at least until next March.

But if the restraints were lifted — and they could be next spring — analysts say the Japanese would grab off as much as 40 percent of the American market, double the 21 percent they now hold. The reasons are simple. The perception is that Japanese cars are of higher quality and more fuel-efficient than American makes. And Japanese companies have a distinct production-cost advantage over their American counterparts, estimated at more than \$1,500 per car — that could be used to drastically undercut United States auto prices.

Moreover, auto executives and analysts say that consumers are still shaky about making big-ticket purchases, and should interest rates suddenly spike again or another oil crisis strike American shores, auto sales could just as quickly fizzle. As a result, most companies have been hesitant to step up production sharply or to abandon completely the cut-rate financing now being offered on slow-selling, small cars.

More immediate concerns, however, are labor and supplier companies, whose pay and cost-cutting concessions during the sales slump contributed to some of the industry's newfound wealth. They are now clamoring to get back a share of the income



they sacrificed when the industry was deep in the red. If they succeed, it could erode whatever competitive edge auto makers have so far gained, especially for those companies that have heavy debt loads to work off. The Chrysler Corporation, for example, is scheduled to reopen talks Monday with the United Automobile Workers union, and union leaders have said they are looking for a substantial pay increase.

Lee A. Iacocca, the Chrysler chairman, recognized the fragility of the recovery, even in his moment of glory last week when he announced Chrysler's plan to repay the remaining \$800 million of its \$1.2 billion in federally guaranteed loans. "It's not done yet, not by a long shot," he said of his company's phoenix-like comeback.

Nevertheless, there is — in the short run — reason to celebrate. Auto sales — the real bellwether of success for the industry — have come a long way in a relatively short time. In the first 10 days of July, sales were up 41.9 percent from the comparable period last year, and the annual selling rate for the domestic companies was 7.1 mil-

Japanese imports and the auto unions could put the industry back on the ropes.

lion units — hardly an all-out boom, but certainly a sharp improvement over the dismal 4.9 million rate at the comparable time last year.

"There's no question, the recovery has arrived," said Harvey Heimbach, a vice president of Merrill Lynch. "I felt that was the case a few months ago. The June and early July results just confirmed that the trend was in place." Most industry analysts and auto company executives predict that car sales this year, including imports, will reach about 9.1 million units, compared with just under 8 million last year. That is still below the 11.3 million sales peak of 1978.

More important, there have been profound changes — from planning to production — in the American auto industry since the dismal days of 1979. Almost all the car models Detroit was selling then have been replaced at a cost of about \$50 billion by more fuel-efficient designs. The industry is a lot trimmer — employment is down from

a peak of 1,031,000 in 1978 to about 685,000 last year, partly from the recession, partly from automation. Detroit is more cost-efficient than ever and, as a result, it can make money at sharply lower sales levels than was possible in the past.

According to the Commerce Department's recent report on the industry, the four domestically based auto makers — Chrysler, G.M., Ford and American Motors — could have made a profit at an 8.1 million sales level in 1982. In 1980, it took sales of 11.2 million to drive Detroit into the black.

Progress is evident. The Commerce Department calculates that the combination of concessions by unionized workers, increased sales of bigger, more profitable cars and greater operating efficiency doubled the Big Three's gross margin per vehicle to \$1,245 last year from \$335 in 1980. As a result of this and increased sales, analysts estimate that G.M. will earn about \$3.2 billion in 1983, Ford about \$850 million and Chrysler between \$800 and \$900 million.

Part of the revolution under way in Detroit is a change in the managerial pecking order. Manufacturing, long relegated below styling, marketing and financial analysis in the industry's hierarchy has gained status. "The best opportunity to demonstrate innovation today is in manufacturing," said Gerald Greenwald, the vice chairman of Chrysler, himself a financial specialist. A young executive who can demonstrate the ability to increase productivity while maintaining quality standards, "will surface 15 years from now with the best of experience and recognition in a company," he said.

Despite the losses of the past few years, Detroit's four biggest auto makers have been heavily investing in new facilities and new products (see box). The anticipated profits through 1985 are expected to allow them to rebuild balance sheets that have been badly strained by the effort. According to the Commerce report, net working capital for the four American-based companies declined to \$400 million at the end of 1982, from \$12.3 billion at the end of 1978. Meanwhile, long-term debt and liabilities increased to \$20 billion from \$7.8 billion.

Yet these investments have so far done little to erase the advantages held by the Japanese. Their edge on manufacturing costs remains undiminished, according to the Federal Government. Furthermore, Japanese companies have shown little reluctance to purchase whatever outside technology and talent they deem necessary to remain competitive.

With a domestic market of about

five million cars a year and capacity in place for at least 12 million, the Japanese companies must export vigorously to survive. Their cost advantage means they could cut prices \$1,000 a car and still make a profit if seriously challenged by the American companies, or if they decided to grab a larger piece of this market.

For the present, Detroit will have to rely on political pressure to hold down the imports — 80 percent of which come from Japan. "Once voluntary restraints are allowed to lapse, aggressive pricing is still not likely to be fully exploited," a recent study by Chemical Bank's economic research unit concluded. The reason, the study said, was because "excessive market share gains could foster protectionist measures that might leave foreign producers worse off."

The most prominent of these measures now pending is a "local content" bill backed in Washington by the U.A.W. It would force major importers to build production facilities in the United States. The Administration opposes the bill, but the potential threat it poses has helped persuade the Japanese to limit imports "voluntarily."

The issue of labor costs is more immediate. Local union leaders at Chrysler voted on Friday to reopen the current labor contract this week with the objective of seeking an immediate pay increase. Workers at Chrysler, who made two rounds of wage and benefit concessions under government pressure in 1979 and 1980,

bucked the concession trend last year. With the assistance of a strike by the union's largely autonomous Canadian branch, Chrysler workers won a pay increase of 75 cents an hour last year, countering the trend toward tying pay increases to auto company profits through profit-sharing plans. Profit sharing was a key ingredient in the contracts negotiated last year at both G.M. and Ford.

The Chrysler contract was due to run until January 1984, but workers have been clamoring to close the \$2-an-hour wage gap with Ford and G.M. The company, evidently hoping to avoid the possibility of a strike that would spoil the introduction of its new, Canadian-produced van, has said it is willing to talk. The outcome of the negotiations will be closely watched by G.M. and Ford, which will meet the union at the bargaining table next summer.

Peter J. Pestillo, Ford's vice president for labor relations, said recently that the critical question is whether the spirit of cooperation that both sides claimed was part of the concession contracts of 1982 will survive an apparent return to prosperity. "If the union goes back to business as usual either through inertia or pressure from the bottom," he said, "then we'll

lose the low end of the business" — the lower priced, small cars that are the specialty of the Japanese. Even U.A.W. officials acknowledge that labor costs are lower at Japanese auto companies than in the United States, although they say the difference is less than the \$8-an-hour figure usually given by auto executives.

The Chrysler negotiations will also be the first test for Owen F. Bieber, who succeeded Douglas A. Fraser earlier this year as president of the U.A.W. Clearly, Mr. Bieber will be under pressure to build up his standing in the union by producing an agreement that is sufficiently lucrative to be ratified by the rank and file. Chrysler workers last year rejected a tentative agreement that included increased profit sharing, but ratified a subsequent one that had a guaranteed "up front" pay increase.

Because of the concessions made by union workers — valued at about \$3.5 billion at Ford and G.M. — and productivity improvements as well as slack demand, the auto companies have, for the most part, held the line on car prices for the last two years. And early indications are that prices on the 1984 models will increase only 1 or 2 percent.

Prospects

Inventories Treading Softly

Are businesses being too cautious in building inventories? They could be, in view of the strong jump in the nation's economy in the second quarter — to a strong 8.7 percent annual rate of growth in G.N.P.

In fact, it is only quite recently that inventory expansion has begun picking up steam, says Alan Greenspan (left). The economist cites concern among executives that they have drawn inventories too far down. "They are borrowing funds to build up production needs whether interest rates go up or not," he adds.

The problem is that "an incredibly low level of inventory is being engulfed by a wave of demand," says Albert T. Sommers, senior vice president and chief economist for the Conference Board. The lack of inventory buildup reflects the fact that personal consumption rose 16 percent in the quarter, while personal savings fell below 4 percent of disposable income, he asserts.

Lack of availability and shipment delays could lead to sales losses, observes Joseph Carson, senior economist at Merrill Lynch. There will be some building of stocks in the third and fourth quarters, he says. But this will be approached with caution. Interest rates may go up, he warns, and "consumers who lived through three years of a stop-and-go economy may hold back again."

Investments From Abroad

Foreign manufacturing investment in the United States may be leveling off after a three-year decline. In the first half, 131 investments were recorded by foreign producers, compared with 136 in 1982's first half and 172 in the 1981 period. But David Bauer, an economist for the Conference Board, believes that the difference this year is so slight that it signals a halt to the downtrend.

"The U.S. economy is now so much more attractive to the foreign investor than it was in the last few years," Mr. Bauer says. But why a plateau rather than a move upward? "There is evidently at least a six-month lag in commitments by foreigners," he says. The recession was so deep and so steady that investors abroad want to be "absolutely sure" that the United States economy is improving, he says.

Mr. Bauer estimates that 1983's foreign manufacturing investments will number about 271, about the same

as last year and down from 348 in 1981. The accounting firm of Deloitte Haskins & Sells, in a recent internal report, attributes the 1982 foreign investment decline to lower foreign funds available because of reduced corporate earnings and to the fact that uncertainty about the expected United States recovery dampened expansion plans.

Ancient Art of Swapping

It's a business of credits and debits and no actual money changing hands, except to the brokers who get a fee for arranging it. It's the barter system, an ancient commercial technique that proponents say is expanding 20 percent annually to involve thousands of companies. And it is proving a boon to businesses with idle time, excess inventory and the desire for additional volume.

Lois Dale, president of Barter Advantage Inc., a New York "trade exchange," or barter broker, explains how it works among her 900 member companies: "Let's take an office furniture company and a graphic artist. The artist barterers for \$1,000 worth of furniture, giving him a \$1,000 debit and the furniture company a \$1,000 credit. The furniture company can then get a \$1,000 credit from any one of the members in terms of product or services and the artist must give up to \$1,000 debits in product or service to the members. The advantage in the process is that all that is really exchanged are the costs of providing the product or service, say, only \$500 of the \$1,000. But you get \$1,000 of value." In return, the buyer pays a fee of 8 percent to the broker.

She estimates that bartering now accounts for about 1 percent of all United States sales volume, but that by 1990 it will expand to 10 percent.

Salty Staff of Life

Low — almost no — salt. It is said to be the hottest thing in the food industry today, as an average of nine national brand items with reduced or low sodium are being introduced each month, says the Bureau of Food at the Food and Drug Administration. Consumer demand has embraced even so-called "junk food."

But one basic food product — bread — is not involved to any marked extent. Morton I. Sosland, publisher of Milling and Baking News, a trade publication, bemoans this fact. But he points out that baking companies were producing low-salt or no-salt-added bread long before sodium became the nutrition issue of the 1980's. They lost heart because too often their products were relegated to the frozen foods section, dampening sales. Another problem has been that such low-salt products sometimes are not as tasty. Nevertheless, Mr. Sosland believes that the no-salt trend will grow and that bakers will come around.

Isadore Barmash

WEEK IN BUSINESS

Higher Targets Set On Money Growth

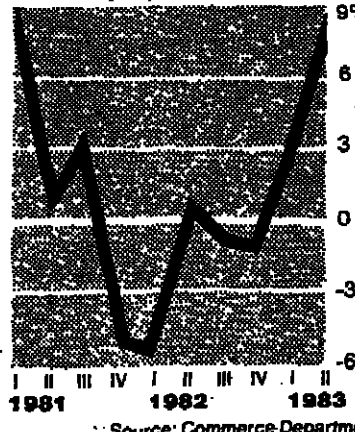
Paul Volcker had another surprise in his second round of Senate confirmation hearings — the Fed will ease up on its growth targets for the money supply for the rest of the year. Starting in July, the Fed will hold M-1 growth to a 5 to 9 percent range, up from a 4 to 8 percent target that has been in place since the beginning of the year. Moreover, the Fed will not try to offset the 14 percent growth rate in the money supply so far this year, but it will reinstate the 8 percent upper limit in 1984. The move was seen as an effort to calm the shaky financial markets as well as to keep the recovery on track without letting it get out of hand. At the same time the Fed chairman exhorted the Congressmen to reduce the huge budget deficits that he said were the "most important single hazard to recovery."

Mr. Volcker's efforts to soothe the financial markets seemed to fall apart on Friday after the Fed announced a jump in the money supply of \$300 million. The markets had anticipated a drop, and the news sent them spinning as fears renewed that the Fed would have to tighten the financial purse strings again. Interest rates jumped and bond prices plunged. The stock market closed the week some 38 points ahead, and well above the 1,200 mark, at 1,231.17.

Donald Regan had his own thoughts on recovery and deficits. The Treas-

Gross National Product

Percent change in 1972 dollars, seasonally adjusted annual rates



ury Secretary said that the recovery was shrinking the deficit faster than expected and that \$85 billion of red ink would be eliminated by 1985. He added that the Fed was to blame for the recent rise in interest rates and not this year's record deficits.

G.N.P. performance in the second quarter — an 8.7 percent annual rate of growth — was stronger than even the forecasters on Wall Street had predicted. The surge was led by inventory building and strong consumer spending. Moreover, in June the nation's factories, utilities and mines operated

at 74.5 percent of capacity — a 16-month high — and inflation rose a modest two-tenths of 1 percent. A more sobering note came from the savings rate in May — 2.9 percent of pretax earnings — which fell to 24-year low, and housing starts in June, which dropped 2.9 percent from May, a victim of rising mortgage rates. And Commerce Secretary Malcolm Baldrige seemed to take issue with Mr. Regan's position on deficits, calling the current level of interest rates a "direct result of the large Federal budget deficit."

Computer Exodus. Prime Computer lost six of its marketing executives to Encore Computer, a company being set up by its former chief executive, Kenneth Fisher. More are expected to go later this month. The departures were yet another blow to the Boston minicomputer maker, which has been one of Wall Street's computer darlings but has been hurt lately by declining earnings and overly optimistic forecasts. The company expects to report a 45 percent drop in earnings for the second quarter. As to the drawing power of Mr. Fisher, there seemed little Prime could do. "This kind of thing happens all the time," a spokesman said. "We are watching the situation."

Encore's second act of the week was an announcement that it had hired the chief technical expert away from

Digital Equipment, the largest maker of minicomputers. C. Gordon Bell, the fifth-highest-paid executive at the giant Boston-area company, has been instrumental in almost every major new computer system the company has produced since 1980.

The battle for Stokely-Van Camp came to an end and Quaker Oats will be adding pork and beans and Gatorade to its stocks of oatmeal, Halfies, Chewy Granola Bars, pet food and toys. Quaker's friendly bid of \$77 a share, or \$212.5 million, for Stokely's bested Pillsbury's \$62-a-share unfriendly tender offer. Pillsbury capitulated but will probably make a profit of about \$8 million on the 500,000 shares of Stokely stock it bought at around \$65 each.

Accountants Without Teeth. The accounting profession's standard-setting body recommended that if its internal auditors detected improper accounting methods at public corporations, they should protest such practices all the way up to the chairman. But the National Association of Accountants stopped short of suggesting its members should blow the whistle on management misdeeds unless the law required them to do so. It seems that the strongest measure recommended by the association was that the accountant should resign if the chairman refused to act.

The New York Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED JULY 22, 1983				
Company	Sales	Last	Net Chng	
ATT	5,797,900	61%	-	%
Pen Am	5,206,200	7%	+	%
Chrysler	4,297,700	31%	-	%
IBM	4,297,600	124%	+	%
Mer-Ly	4,227,000	48%	-	%
PhilS	4,101,900	31%	-	%
WmCm	3,874,100	22%	-	%
NorSim	3,258,800	35%	+	%
Goodyr	3,176,500	29%	-	%
GenCl	3,116,600	53%	+	%
Chlcr	2,969,700	39	+	%
PrimC	2,833,000	18%	-	%
DeltaAr	2,713,800	35%	-	%
AMR Cp	2,674,100	35	+	%
Exxon	2,671,100	35	+	%
Standard & Poor's				
400 Indust	182.5	183.1	180.3	+5.25
20 Transp	30.7	28.9	30.3	+0.90
40 Util	55.8	54.2	56.3	+1.48
40 Financial	20.1	19.0	19.7	+0.52
500 Stocks	170.5	162.4	168.8	+4.60
Dow Jones				
30 Indust	1,238	1,179	1,231	+38.86
20 Transp	588.1	551.0	579.0	+17.75
15 Util	132.8	129.0	131.5	+1.29
85 Comb	496.0	471.3	419.4	+14.02
The American Stock Exchange				
MOST ACTIVE STOCKS				
WEEK ENDED JULY 22, 1983				
Company	Sales	Last	Net Chng	
ImpCh	1,737,900	8	+	%
DomeP	995,200	4	+3/16	
DatPd	844,200	27%	+	%
Cyprus	787,200	4	+	%
Dunlop	774,700	1	...	
WangB	752,200	39%	+	%
PetLaw	678,200	17	+	%
Amhli	623,500	25%	+	%
TIE	572,100	39%	+	%
Reart wt	540,700	14%	+	%
MARKET DIARY				
Advances	Declines	Total Issues	New Highs	New Lows
259	236	590	294	580
500	920	916	89	86
10	11			
VOLUME				
Company	Last Week	Prev. Week	Year To Date	
Total Sales	423,149,153	12,247,352,095		
Same Per. 1982	282,017,417	7,397,276,733		
WEEK'S MARKET AVERAGES				
High	Low	Last	Change	
Indust	114.7	110.6	114.3	+3.15
Transp	94.34	89.91	94.34	+3.40
Util	47.25	48.27	47.05	+0.49
Finance	101.8	97.79	100.7	+2.26
Composite	98.12	94.71	97.74	+2.46

The New York Times

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Forget the Maine

If you want war, nourish a doctrine. Doctrines are the most frightful tyrants to which men ever are subject, because doctrines get inside of a man's own reason and betray him against himself. . . . Doctrines are always vague; it would ruin a doctrine to define it, because then it could be analyzed, tested, criticized, and verified. . . . Somebody asks you with astonishment and horror whether you do not believe in the Monroe Doctrine. . . . You do not know what it is; but you do not dare to say that you do not, because you understand that it is one of the things which every good American is bound to believe in. Now when any doctrine arrives at that degree of authority, the name of it is a club which any demagogue may swing over you at any time and apropos of anything.

—From "War," by William Graham Sumner, 1903.

The ideologues and idealists who inspired that warning, from a noted conservative, are swinging their club again. They have stamped the country into Caribbean military ventures in virtually every decade of this century. Their alarms — anti-Spanish or anti-British or anti-Soviet — have rarely proved justified, and their interventions have done vastly more harm than good. But here they go again.

You don't believe in the Monroe Doctrine? You accept the Brezhnev Doctrine of Irreversible Revolution? You want Another Cuba? Never heard of the Domino Theory?

For such slogans, the Treasury is opened, the Navy sets sail, C.I.A. armies cross borders and American commitments are drawn in quicksand. When the people balk, the flags are raised still higher and the President merges all slogans into one unreasoned cry:

There can be no question: The national security of all the Americas is at stake in Central America. If we cannot defend ourselves there, we cannot expect to prevail elsewhere. Our credibility would collapse, our alliances would crumble, and the safety of our homeland would be put at jeopardy.

The problem, it's easy to forget, is not a Soviet attack or missile base but El Salvador, a small, long-misgoverned country whose feeble rulers are unable to put down either a Marxist-led revolt or the counterterror of the right. Though his Ambassador said this civil war will take a decade to resolve, Mr. Reagan has made it America's war.

Why? Probably because of Nicaragua, whose welcome revolution produced an unwelcome Cuban-style regime. The Sandinista rebels now running Nicaragua have been rooting for and helping the rebels in El Salvador and, anticipating Yankee hostility, taking arms from Cuba and other Soviet friends.

Mr. Reagan says he'll go to any lengths to stop Nicaragua's interference. But the evidence grows that this is a pretext for efforts to overthrow the Sandinista regime. Honduras has been made a base for American-led campaigns into both El Salvador and Nicaragua, and people in Washington now expect — intend? — that provocations will permit the Honduran Army, supported by American forces, to crush the leftists in both countries.

The Administration insists it will thus provide for the "safety of our homeland" with a few billion dollars and without many American troops. Its private documents, however, already stress the value of at least threatening direct American action.

With the public unmoved, and Congress torn between doubt and loyalty, Mr. Reagan has now summoned Henry Kissinger and a chorus to justify his course or suggest a better one. But what kind of approach is that to a problem the President puts at the top of his list? This commission is a chorus of amateurs and won't even report for five months. And Kissinger, though a most agile diplomat, brings no open mind. He long ago raised his own voice in the Administration's sloganeering:

If we cannot manage Central America, it will be impossible to convince threatened nations in the Persian Gulf and in other places that we know how to manage the global equilibrium. We will face a series of upheavals. . . . It escapes me why we have to apply the Brezhnev Doctrine in Central America and assert that any Communist government that has established itself can never be changed.

There they are: Monroe Doctrine, Global Equilibrium, Domino Theory, Brezhnev Doctrine, Irreversible Revolution. He might as well yell "Remember the Maine" — as Mr. Reagan did last month in refusing to rule out combat troops.

The mystery sinking of the U.S.S. Maine in Havana harbor became the bloody shirt of the jingos who pushed for war with Spain in 1898 to stretch America's empire to Puerto Rico and the Philippines. They at least had a naval imperative, as did the Presidents who for the next 50 years colonized the Caribbean for its sea lanes and Panama Canal. If Mr. Reagan would but remember the Canal treaties, which he meanly opposed, he might update his knowledge of Latin reality and diplomatic possibility.

Presidents Eisenhower and Kennedy "lost" Cuba on their watch, but the United States survived. So well, in fact, that for the next 20 years, it mostly ignored Latin America. Mr. Reagan may "win" back Nicaragua, as Guatemala was won back in 1954, but that would only prolong the misery and resentment on which radicals prey and build anti-Yankee plots. We may have forgotten who saddled Nicaragua with the Somoza dictatorship; Nicaraguans have not.

Forget the Monroe Doctrine. It was a young America's prayer for isolation from Europe's conflicts and later a pretext for aggrandizement. It is resented by Latins and, like the Maine, irrelevant to the nuclear age. Keeping Soviet bases out of the Americas is a matter for the superpowers to resolve, as they did in Cuba after a confrontation that neither should want to repeat.

Forget the Global Equilibrium. That is nothing more than a pitch for spheres of influence, and those have to be earned, as in Europe. Nicaragua is no more surely "ours" than Pakistan, or Afghanistan, is the Russians. Mr. Kissinger is right to say that mismanaging power anywhere can dissipate power everywhere, but wisdom does not flow only from the barrel of a gun. Nicaragua's deplorable passage from a right- to left-wing dictatorship is an object lesson, not a threat to world peace.

Beware the dominoes, by all means. Nicaragua, like Cuba, should be prevented from exporting weapons, by joint action of hemisphere nations. But blockades won't keep radical ideas from reaching frail societies.

Does that mean acquiescing in the triumph of communism in one Cuba after another, in the doctrine of the Irreversible Revolution? Of course not. Even Cuba will not forever be a Soviet ally. Much depends on what the United States has to offer Latin Americans, including its revolutionaries. Fidel Castro's renown owes as much to our hysterical opposition as it does to his own accomplishments.

Revolutions are unsettling, but not inevitably Communist. If Communist, they are not inevitably pro-Soviet. If pro-Soviet, they are not irreversible. Only the Red Army keeps Eastern Europe Communist; Chinese and Yugoslav Communists have become America's friends. The idea that the whole world is tilting from right to left and threatening to bury the Americas in a Marxist avalanche is a dangerous delusion — just one more doctrine.

There are many things the United States should be doing for hemisphere stability, democracy and prosperity, to defend its genuine interests, diminish Soviet influence and dispel the impression that it is threatened by social justice in Latin America. What it should not be doing is overthrowing containable leftist regimes or fighting for reactionary causes, launching invasions and war games in the service of blind doctrine.

The President who remembers the Maine in the Caribbean forgets the Maddox and Turner Joy in Tonkin Gulf. He is inviting, perhaps provoking, incidents, practicing neither vigilance nor diplomacy but adventurism. He is drifting into war and turning minor problems into colossal defeats.

Topics

Tragedy / Comedy

Lamentation

Pandas have teardrop eyes, which is why they always look so mournful. But that a panda's life should match its visage seems unfair. Surely a creature that evokes so much delight is entitled to its share of the same. But such is not the case with Ling-Ling.

Ling-Ling, as almost every American now knows, is a seldom seduced and often abandoned resident of the National Zoo. Her romantic life has been troubled; her sex life monitored by a million voyeurs; her fertility the subject of countless conversations. Can she, an anxious nation asked, produce progeny?

This week the nation finally got its answer. Ling-Ling, eyed by a camera as usual, gave birth to a four-ounce son — the first panda to be born in the United States. For three hours she held, licked and nuzzled him until, as is always the story with this ill-starred beast, tragedy slipped in.

He died.

The National Zoo put a good face on things. The death of a firstborn, it said, is not unusual in the animal

world, and people at the zoo are hopeful that Ling-Ling will produce again.

So are we. True, one can't tell when Ling-Ling is happy by looking at her. But that she held an apple for a long time after her baby was taken away tells us that she was sad.

Bible Beater

In his Nobel lecture, the Colombian author Gabriel García Márquez said that what resembles fantasy in Latin fiction is simple realism. He could have repeated this true tale about Gen. Efraín Ríos Montt, the evangelical dictator of Guatemala.

A weekly newsletter called The Reaper is published in Arizona to advise investors with tips based on biblical revelation. And lo, it recently proclaimed that in the 2,500 years since Jeremiah, the only truly Christian states have been the United States and Guatemala.

Editor Ralph McMaster's praise duly came to President Ríos Montt's desk, and The Reaper was asked to

advise the regime. Armed with Strong's Exhaustive Concordance to the Bible, Mr. McMaster turned up in March to "put together the precise scriptural documentation on which to establish an entire country."

And he found it good and painted a biblical picture of the country's needs. He compared his mission to Christopher ("Christ-bearer") Columbus, who, like him, was a redhead. He met the Cabinet and bankers and played "Amazing Grace" on the presidential Steinway. Then he offered this advice: Guatemala is wrongly into commodities trading, airlines, railroads, the dairy industry, oil and mining and price controls, "just for starters." Devaluation is an immediate must, and the central bank is unnecessary.

He was effusively thanked by President Ríos Montt, whose advisers noted that a special beam of light fell on Mr. McMaster as they met. "It's not every day a man gets a chance to change the course of history," Mr. McMaster said. "Truth told in love indeed has amazing power."

And then he rested, and was ignored.

Letters

Racial Quotas: 'Road to Conflict and Tragedy'

To the Editor:

Your Jack Rosenthal, after describing me as a "lifelong enemy of bigotry," characterizes my equally long opposition to racial preferences and quotas (but not to affirmative action) as my "chilly neutrality," which in his opinion is "... bloodless [and] uncharacteristically ungenerous" [Editorial Notebook, July 17].

Of course I would like the approval of the Deputy Editorial Page Editor of The New York Times, but I will not abandon principle to gain it. And if sacrifice of the bedrock idea that the Government of the United States must be neutral in its treatment of citizens of different creeds and races is the price of silencing Mr. Rosenthal's personalized pen, I will not pay it.

The idea that the state should be neutral as to religion was perhaps thought "chilly" in the 18th century, but that principle, embedded in the American Constitution, has insured this country 200 years of relative religious peace.

Does Mr. Rosenthal really wish to see the hot pursuit of preference and advantage by all the ethnic groups in

this nation, which is, after all, a collection of aggrieved minorities? If he believes in quotas, then for whom, by what blood or language test, to what degree, for how long, and on whose say? And what excuse would he give to the poor and disadvantaged white person who may be displaced by the well-to-do minority member through his generosity?

Is this the formula for a more productive and fairer America or is it the road to private injustice, communal anger, conflict and tragedy?

Yes, Mr. Rosenthal, "government regularly gives preferences to veterans, the handicapped . . . and, with the progressive income tax, to many others," but up to now at least these are conferred without distinction as to color, creed or sex.

As the lead attorney in the "one man, one vote case," I know and deplore the tragic history of black disenfranchisement. If racial preferences were ever justified because of the length of time, pervasiveness, persistence and the still-lingering effects of discrimination, the voting area would be the special case.

Why not, therefore, let blacks have two or three votes or however many to overcome the distortions in our institutions which franchise discrimination has produced? Since blacks are under-registered even today, why not hold up white registrations until blacks are proportionately enfranchised? Such a proposal is an absurd but logical extension of Mr. Rosenthal's plea for a generous containment of racial preferences because of past discrimination.

Believing in the rule of law, I sent Mr. Rosenthal's attributing my stance to what he calls the "technical language" of President Johnson's Executive Order in which the term affirmative action appeared. My views are no more "technical" than those of Justice Thurgood Marshall, who this month wrote, "Even a true generalization about a class [women, outlive men] cannot justify class-based treatment."

Moreover, when Mr. Rosenthal wrote, he was in possession of the text I filed at the Judiciary Committee in which I reviewed the explicit legal history on which I relied for my view that affirmative action did not embrace racial preferences. I said: "[I] advocate affirmative action in the context of the Civil Rights Act of 1964 which flatly says 'Nothing in this Title [VII] shall be interpreted to require any employer . . . to grant preferential treatment . . . because of race, color, religion or sex . . . on account of an imbalance which may exist with respect to the total number or percentage of persons of any race . . . etc. employed.'"

I went on to quote the floor manager of the bill, Senator Hubert Humphrey, who said that the bill "would prohibit preferential treatment for any particular group" and then promised that if the bill had any language "which provides that the employer will have to hire on the basis of a percentage or quota related to quotas . . . I will start eating the pages."

Mr. Rosenthal would have the reader believe that Lyndon Johnson, in the face of all this, in a bill he sponsored, nevertheless supported quotas. It may surprise Mr. Rosenthal to know that I agree with President Johnson that "freedom is not enough" and that "all our citizens must have the ability to walk through those gates [of opportunity]."

But in this multi-colored, multi-ethnic, multi-creedal nation I am not willing to let the Government treat anybody on a racial basis which men of good will have heretofore considered invidious and hateful. Rather, like President Johnson, I wish the Government to treat alike all who are similarly situated by need or handicap — regardless of race. If that makes me "chilly, bloodless and ungenerous," so be it.

MORRIS B. ABRAM
New York, July 13, 1983

Campaigns of Hate That Must Be Stopped

To the Editor:

In parts of the country today, Americans of certain religious and racial groups — Jews, blacks, Hispanic people and at times Roman Catholics — are being attacked in radio broadcasts reminiscent of the campaigns of hate that 50 years ago gave rise to the modern human rights movement.

Many of these attacks can be traced to a small but poisonous confederacy of hatred known as the "Identity Churches," which preach white supremacy, anti-Semitism and, on occasion, anti-Catholicism. Some of the broadcasts fall outside the protected area of free speech by advocating violence against individuals and groups.

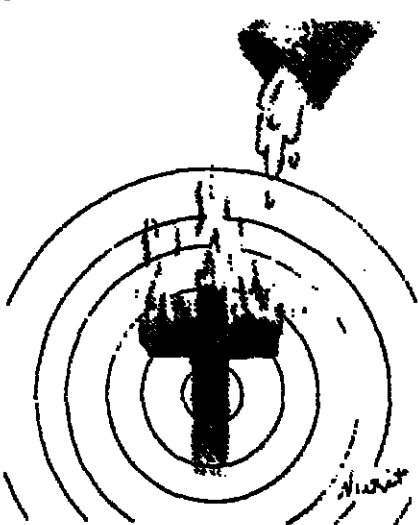
The National Conference of Christians and Jews, which for 55 years has sought to counteract religious and racial bigotry, is deeply concerned about the resurgence of malice and slander evident in the "Identity" broadcasts. We deplore all propaganda that degrades any individual or segment of the population.

To register our deepest concern, our national office has joined our Kansas region in opposing the broadcast license renewal of radio station KTLT in Dodge City, because of "Identity" broadcasts espousing violence against Jews and blacks.

This is an unprecedented action for us. We both treasure and promote the right of free speech, but we also believe that the firmest possible stand must be taken against contamination of the public air waves by vigilantes who would destroy our society.

We do not think that Federal regula-

tory action against one Kansas radio station is sufficient in light of the threat represented by "Identity" ideology. We believe that the broadcasts and publications of this movement should



be reviewed by state and Federal officials for possible criminal charges. Threats of violence necessarily constitute criminal activity, and we as a society must not begin to tolerate them.

We also encourage all concerned citizens to protest broadcasts they hear which advocate violence against religious and racial groups, by urging stations to remove the offensive programs and reporting them to law enforcement officials.

JACQUELINE G. WEXLER
President, National Conference
of Christians and Jews
New York, July 15, 1983

Gas Guzzling at a Price

To the Editor:

Since President Reagan has adopted an energy policy that implicitly denies the likelihood of another energy crisis in the foreseeable future, it is understandable that the public has turned once again to the larger, gas-guzzling auto models. It seems unfair somehow to penalize the automobile manufacturers for failing to meet the legally mandated miles-per-gallon average when they are simply trying to supply what the market demands.

Both the mileage standard and this Administration's ideological bent may be satisfied if Congress were to repeal the penalties and substitute a substantial horsepower tax on all vehicles that do not meet the mandated standard. Those drivers who are not deterred by a stiff tax would at least be contributing to the reduction of our budget deficit. Thus society would benefit no matter which decision the car purchaser made.

LEON REDNARTH
New York, July 14, 1983

Garifunas' Last Stand

To the Editor:

I was delighted to read Barbara Crossette's report "On Honduran Coast, a World Apart" (July 2). I sensed that she was a little uncertain about the background of the Garifunas, or Black Caribs, and I would like to enlighten her.

The island of St. Vincent, one of the Windwards, was the last stand of the Caribs who had intermarried with escaped Africans. By the late 18th century, they controlled, by treaty with Great Britain, only the northern part of the island. Broken treaties resulted in the Carib War, 1795-96, which they heroically fought and lost. The defeated militants — about 5,000 — were exiled to Honduras, where Miss Crossette visited their descendants.

The language spoken by the Garifunas is a patois of Carib, African, French, English and Spanish. I am partly descended from Black Caribs who managed to avoid exile from their beloved *Hairoun* (Carib for St. Vincent), so I was very pleased to read about my distant kinsfolk and their adjustment in their new home.

STELLA E. ROSENZWEIG
Bronx, July 6, 1983

The Times welcomes letters from readers. Letters for publication must include the writer's name, address and telephone number. Because of the large volume of mail received, we regret that we are unable to acknowledge or to return unpublished letters.

When a Lawyer Becomes a Client's 'Master'

To the Editor:

Your July 13 editorial "A Lawyer's Worth and Duty" misconceives what was at stake for David Barnes and the significance of the Supreme Court's decision that an appointed lawyer representing an indigent defendant on appeal need not argue every colorable (non-frivolous) issue his client wants him to raise.

No one doubts — least of all David Barnes — that an appellate lawyer's skill and expertise in framing, researching and presenting legal arguments far exceed those of a layman. That is why Barnes had asked his assigned lawyer to raise and argue certain issues, which the Federal Court of Appeals later agreed were colorable, on the appeal of his conviction to New York State's Appellate Division.

When the assigned lawyer refused to follow his instructions, Barnes was forced to try his own hand at appellate lawyering, and submitted a pro se brief to accompany his attorney's brief. A summary affirmation followed. If Barnes could have afforded private counsel, certain serious arguments which could have supported a reversal of his conviction would have been professionally presented.

That Barnes, because of his indi-

gence, was deprived of equal access to the appellate courts is the point that your editorial and Chief Justice Burger's majority opinion ignore. In reposing the ultimate power to decide critical issues in the lawyer — here whether assigned counsel can block certain colorable grounds for reversal from appellate review — the Supreme Court has stood the Sixth Amendment guarantee of the right to the "assistance" of counsel on its head.

The holding that the Constitution permits counsel to override a client's considered wishes with regard to important matters in his case transforms the lawyer's role from "assistant" to "master."

If, after thorough consultation with his counsel, a client knowingly rejects his counsel's advice and instead chooses another course, which a lawyer can effectively pursue without violating law or the canons of ethics, it is the client's word that should be final. After all, the client, not the lawyer, faces the consequences of a spurious term.

SHEILA GINSBURG KISSEL
ALAN MANSFIELD
New York, July 22, 1983

The writers represented David Barnes before the Federal Appeals Court and the Supreme Court.

Bats in the House: The 'Cascade of Roses' Remedy

To the Editor:

Your July 7 article "Playing Host to a Bat Under Stress" omitted one proven way to rid one's premises of bats. The Government booklet "House Bat Management" indicates that playing a recording of the Mexico City Police Band's rendition of "Cascade of Roses" is so disorienting to bats' sonar system of navigation that they flee the sound. The same can be accomplished with ultrasonic devices, but research shows that these instruments can cause irritability and mood alterations in humans.

Also, our experience in an apartment we rented one summer in the Berk-

shires taught us that the assertion that bats never attack is open to dispute: one bat flew quite aggressively toward a workman who was trying to extricate it from a hiding place.

And even though not all species of bats carry rabies, the recent spread of the disease in several Northeast areas should alert rural dwellers to be cautious in their contacts with invading bats. The key word, as you point out, is "management." By the way, at least in Massachusetts it is illegal to kill bats; they are quite useful in the ecological scheme of things.

RAPHAEL ROTHSTEIN
New York, July 11, 1983

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WASHINGTON, July 23 — The central fact about Central America is that it is central to the defense of the United States. If our nearest neighbors continue to be subverted and taken over by Communists, the region will offer the Russians a base directly threatening our security and increasing the possibility of nuclear war.

Saber-rattling Al Haig, it turns out, was right; responsible moderates like Senator Richard Lugar, who urged we give hundreds of millions of U.S. aid dollars to the Communists in Nicaragua, were wrong. A region-wide war is going on, and that undeniable fact forces us to choose our sides.

Most Americans do not like that idea at all. They prefer to be on the "side" of peace, of negotiation, of talking rather than fighting. But peace is a goal, not a side, and it is not the other side's goal.

The trouble with such wishful thinking is becoming plain: Unless Americans take sides, no chance for negotiation will exist. When one side is out to

win, and the other side is eager for peace, the side determined to win will win.

Such an approach is all too simplistic, say those who refuse to resist the Communist tide in Central America. The most self-righteous among them argue that we cannot ally ourselves with "bloodthirsty" military regimes; they are willing to permit the triumph of greater evil lest they become tainted by supporting lesser evil. The defeatists among the nonresisters say that it is hopeless for us to stop this wave of the future; as we lost supporting a fight half a world away, we will lose even on our own borders. And some ideologues in that set think that "social justice" can be better achieved under communism.

Better to be simplistic than paralyzed. An "our side" is forming that understands that military takeovers by Communist guerrillas can be stopped by direct military-economic counterpressures. We need not allow the Communists — whether they label

WASHINGTON — Twenty years ago tomorrow, the United States, the Soviet Union and Britain initiated the first major arms control agreement among the nuclear powers — the limited test ban treaty.

Prohibiting the testing of nuclear weapons in the atmosphere, in the oceans or in outer space, this treaty greatly reduced the worldwide peril of radioactive fallout. It began sustained talks on nuclear weapons leading to treaties on strategic arms and against the spread of nuclear weapons. It eventually involved more than a hundred nations in limiting nuclear testing.

Twenty years later, this structure of progress is imperiled. The United States and the Soviet Union are adding new weapons that will make arms control even more difficult. Ten more nations could hold nuclear weapons within a decade. Three unratified nuclear arms treaties are in danger of unraveling. I am disturbed that the security and stability provided by the 1972 Anti-Ballistic Missile Treaty is being undermined by the illusion that we can obtain advantage in these weapons. I am even more disturbed to hear consideration of discarding the limited test ban to test nuclear weapons for use in outer space in the naive belief that war in space will not reach back to earth.

If we accept this situation complacently, then we shall drift toward nuclear war. In an age of 50,000 nuclear weapons, we must actively and urgently seek a safer world.

Under President Kennedy's direction, I was privileged to negotiate the limited test ban for the United States. As I arrived in Moscow, reporters asked me: "How long is this going to take?" I responded, "If Chairman Khrushchev wants an agreement as much as the President wants it, we should be out of here in two weeks." On the 13th day, we initiated the treaty; on the 14th, we left for home.

I believe this attitude helped establish the peace of these negotiations, but success was not due to the spin of these arrival remarks. We succeeded then because leaders and citizens deeply wanted success.

There are other lessons that remain

W. Averell Harriman was the United States Ambassador to the Soviet Union in World War II.

relevant today. The first is that reducing the risk of nuclear war does not require perfection on the part of our adversary or the resolution of our many differences. The limited test ban was born after the most dangerous moment in American-Soviet relations — the Cuban missile crisis. Furthermore, both nations were pursuing a new arms race in missiles that suddenly reduced the time for extinction from hours to minutes. From Africa to Berlin to Southeast Asia, tensions were high. Yet despite many problems that could have been used to avoid negotiations, both countries courageously took a step toward peace.

If we could succeed then under those conditions, there is no reason why we cannot succeed today. The

sensus, General Meyer and (so he claims) many of his former colleagues still on active duty think that sending troops would lead us into another Vietnam.

Generals have often been accused of preparing for the last war, and evidently our own are no exception. But what General Meyer forgets is that the consensus he is asking for now did exist when we went into Vietnam. President Kennedy encountered virtually no opposition either in Congress or in the press when he sent the first contingents of military "advisers" to Vietnam. Under his successor, President Johnson, the Gulf of Tonkin Resolution of 1964 — the closest we ever came to a declaration of war — was approved unanimously by the House and with only two dissenting votes in the Senate. Two years later, when close to 150,000 American combat troops were already in Vietnam, an amendment to repeal that resolution was defeated in the Senate by a vote of 92 to 5.

If there is a lesson here, then, it is the opposite of the one General Meyer has taught himself and wishes to teach the rest of us. What Vietnam demonstrates is that a consensus in

LOS ANGELES — The Nicaraguan revolution is celebrating its fourth anniversary under a gathering storm. Gunboat diplomacy, displays of Nicaraguan hegemony, the invasion of Nicaragua by mercenary forces sponsored by Washington, the militarization of Honduras, the use of Panama as a springboard for the American war — all this is causing incalculable political stress throughout the Latin continent, where considerations about Marxism come after considerations of nationalism and cultural identity.

Clearly, the stage is being set for a confrontation meant to overthrow the Sandinista Government and demonstrate Washington's version of the Brezhnev doctrine — that no Central American country can ever leave the United States' sphere of influence.

Comparable to Poland and East Germany, Nicaragua, El Salvador and Guatemala are, in this view, to remain forever under United States suzerainty. This is what the struggle is really about — not the Administration's fictitious East-West argument.

A Brezhnev doctrine in this hemisphere can apply only to the regional

superpower, namely the United States, against the smaller nations in its sphere of influence. It would be ironic indeed if, to preserve its client states in Central America, the United States had to do what the Soviet Union has until now avoided in Poland: the use of its own armed forces against the unruly nation. How Washington must long for a Nicaraguan puppet to do its bidding, just as General Jaruzelski did for Moscow.

In my own country, Mexico, the triumph of the revolution came in 1911. Four years later, its leaders were fighting the counterrevolution of Gen. Victoriano Huerta (our Jaruzelski) and United States Marines were occupying Veracruz. It was not until 1917 that a Constitution was promulgated and elections held. And only in 1946 had Mexico achieved sufficient stability to elect a civilian President, Miguel Alemán. But there shall be no Jaruzelski in Nicaragua.

The three modern Latin American revolutions — in Mexico, Cuba and Nicaragua — have, for all their national differences, two things in common. First, they have all been attacked politically and militarily by the United States. Second, all have survived because they felt harshly compelled by such attacks to create

ESSAY

Choosing Up Sides

By William Safire

themselves Castroites, Marxists, Sandinistas or some other euphemism — to continue to operate from privileged sanctuaries.

Just as the offensive in El Salvador began in Nicaragua, the defense of El Salvador must begin in Nicaragua. If anti-Communist forces are to win — and a few unreconstructed hawks are not ashamed to use the word "win" — then the source of Communist war supplies must be cut off totally, with no hope of being restored.

The only way that supplies to El Salvador will be permanently interdicted is for the exporters of revolution in

Nicaragua to have their hands full of internal revolt. If they are busy at home, they will not be busy abroad.

Congressmen are making theological distinctions between aid for the purpose of interdiction versus aid for the purpose of overthrow. In fact, our position should be undiplomatically honest: Here are the guns to coerce the Communists into staying out of El Salvador, which is our purpose. If you use them to overthrow the Communists in Nicaragua, which is your purpose, so much the better.

In pursuit of that policy of dealing with the source of trouble, we have fi-

nally cut back on sugar purchases from Nicaragua, which will increase the cost of subsidies to the Soviet Union. We are flexing our military and naval muscle in the area, to remind Managua that unless its terrorism in El Salvador stops, a naval quarantine will be the next step.

At the same time, we must meet the military threat by training an anti-guerrilla army in El Salvador and Honduras. Since we disapprove of the customary antiterrorist terrorism, we are required to supply those countries with helicopter gunships and other expensive hardware needed to win that war.

Israel, long the target of Nicaraguan-P.L.O. cooperation, has agreed to work with the U.S. in supplying Soviet arms captured from the P.L.O. and hopes to be assigned, a more peaceful task of teaching El Salvador's farmers how to revolutionize agriculture. Consequently, Israel can expect to be vilified by appeasers and defeatists in the U.S.; curiously, a

leader of the defeatist crowd in the House, Representative Stephen Solarz, has the largest Jewish constituency in the nation.

The Kissinger commission, say defeatists like Senator Robert Byrd, will provide a bipartisan smokescreen for a hard line; let's hope so. That commission is charged with recommending policy to meet the challenge of aggression, not to satisfy the nation's vocal minority of cut-and-runners.

The Reagan Administration seems to be moving from rhetoric to reality. As a result, for the first time, the Nicaraguan Communists are now calling for "a total halt to the supplying of arms," an idea that they have hitherto treated with contempt.

That's a good sign. After they have offered amnesty and free elections to those fighting for their nation's freedom; after good faith is shown by the reopening of an independent press in Managua, and after the threat to U.S. security recedes, our side should think seriously about agreeing to talk.

'63 Test Ban Treaty: It Can Be Done Again

By W. Averell Harriman

fact that the prevention of nuclear war is in the Soviet Union's interest does not diminish the fact that it is

also in the United States' interest. Indeed, prevention of nuclear war is fundamental to our survival.



A. Paul Weber

Military Intervention In Central America?

By Norman Podhoretz

support of entering a war is not a sufficient condition for winning it. But it is also true that the absence of such a consensus at the beginning does not necessarily mean that a successful intervention is impossible. In this respect, as in so many others, our situation today bears a closer resemblance to the late 1930's than to the early 1960's. Like Franklin D. Roosevelt, but unlike John F. Kennedy, Ronald Reagan is confronted by powerful currents of isolationism and pacifism from whose influence the Pentagon itself is not immune. Together these forces make it difficult for a President to propose the use of military power even in the face of a clear and present danger. Thus even after World War II had already begun, President Roosevelt prom-

ised never to send American boys to fight in Europe, and President Reagan, while proclaiming that our vital interests are involved in Central America, has announced that "there is no thought of sending American combat troops" to the region.

Yet if the stakes are as high as President Reagan says, it is precisely this thought that must be entertained, and it must be entertained seriously. Above all else, this means resisting the temptation to rely on incremental half-measures and accepting the responsibility to do whatever we have to do in order to succeed.

On this point, there actually is a lesson to be learned from Vietnam, and it is that fighting a war on the cheap is a sure formula for defeat. President Kennedy, trying to win on

the military cheap, refused to commit adequate military forces; President Johnson was willing to commit the forces but, trying to win on the political cheap, refused to mobilize the consensus he had inherited behind a strategy that would have enabled those troops to succeed. Permitted in these ways to drag on inconclusively, the war gradually lost the public support it had once enjoyed, and the stage was set for American withdrawal and all the disasters that have trailed in its wake — up to and including the confusion and demoralization evident in General Meyer's remarks about Central America.

At the moment, the military situation in El Salvador seems to be improving and perhaps the guerrillas can be defeated by the Government without our direct participation. So much the better. But if American military power should become necessary to prevent El Salvador from following Cuba and Nicaragua into the Soviet orbit, and if we should then fail to use it at all, or fail to use it effectively, we will have revealed ourselves as a spent and impotent force.

These were not the alternatives that faced us at the beginning in Vietnam.

As more and more students of the war are coming to acknowledge, we were morally right in trying to save the people of South Vietnam (and the other countries of Indochina) from the horrors that have now befallen them under the rule of the Communists. But because Vietnam was so far away, because the local conditions for success were so unpropitious, and because the American interest there was less than obviously vital, we might have let that quixotic cup pass from our lips without severe damage to our credibility as the guarantor of Western security against the encroachments of Soviet imperialism.

El Salvador, however, is not far away, the local conditions are not so difficult and American interests that have been regarded as vital since the earliest days of the Republic are clearly at risk. If we are unwilling or unable to contain the further advance of Soviet influence, and the Communist totalitarianism that usually accompanies it, in our own hemisphere, where else can we be expected to do so? And if we are thus neutralized, will anyone, including eventually even ourselves, be safe from Soviet imperial control?

Force Won't Work In Nicaragua

By Carlos Fuentes

an army loyal to the revolution.

In Mexico, the revolutionary Government at first tried to work with the federal army left over from the Porfirio Díaz dictatorship. The consequences were disastrous: the revolutionary President Francisco Madero was assassinated by a group of army officers acting in collusion with the United States Ambassador, Henry Lane Wilson. Only then did the revolution turn itself, and Mexico has not had an army coup in 53 years. When the United States ceased to intervene against Mexico in the 1930's, the power of the army faded. Cuba did not make our mistake: Fidel Castro destroyed Fulgencio Batista's army and could count on his own revolutionary army to cope with the counterrevolutionary invasion at the Bay of Pigs in 1961.

The Government in Managua also

has its own military force to repel an invasion led by officers of the former dictator, Anastasio Somoza Debayle. Attacks against Nicaragua are bound to strengthen the Government and justify its military build-up. Like Lázaro Cárdenas, President of Mexico in the 1930's, and Fidel Castro in the 1960's, the Sandinistas have handed out arms to the people themselves. Where this did not happen — Guatemala and Chile — the old army served United States ambitions by bringing down elected left-wing governments. So much for Washington's respect, past or present, for electoral processes in Latin America.

Everyone knows that if the rightist counterrevolutionaries fighting in the north of Nicaragua were to reach Managua, they would not create a democratic regime. They would first stage a bloodbath and then restore the

former dictatorship. By then, no one in Washington would give a pound of sugar for the destiny of Nicaraguan democracy. The counterrevolutionaries would reverse the social and juridical changes wrought by the Sandinistas — such as the literacy campaign, health care programs and various provisions necessary for holding elections, including preparations for a census and laws protecting political parties. Nicaragua would fall once again into the pit of world indifference and internal oppression of the Somoza years. Nicaragua would again be a model servant of the United States.

This will not happen — and, in the light of past and present events, the Sandinistas were right in arming Nicaragua. Make no mistake about it: an American blitzkrieg or surgical operation against Nicaragua is no longer possible. The people and the army would fight inch by inch, take to the mountains and jungles and hold down United States forces for years to come, draining resources from other, more important needs and permanently damaging both relations between the United States and the rest of Latin America, and between the people and the Government of the United States. This would indeed be a great victory for the Soviet Union: the sec-

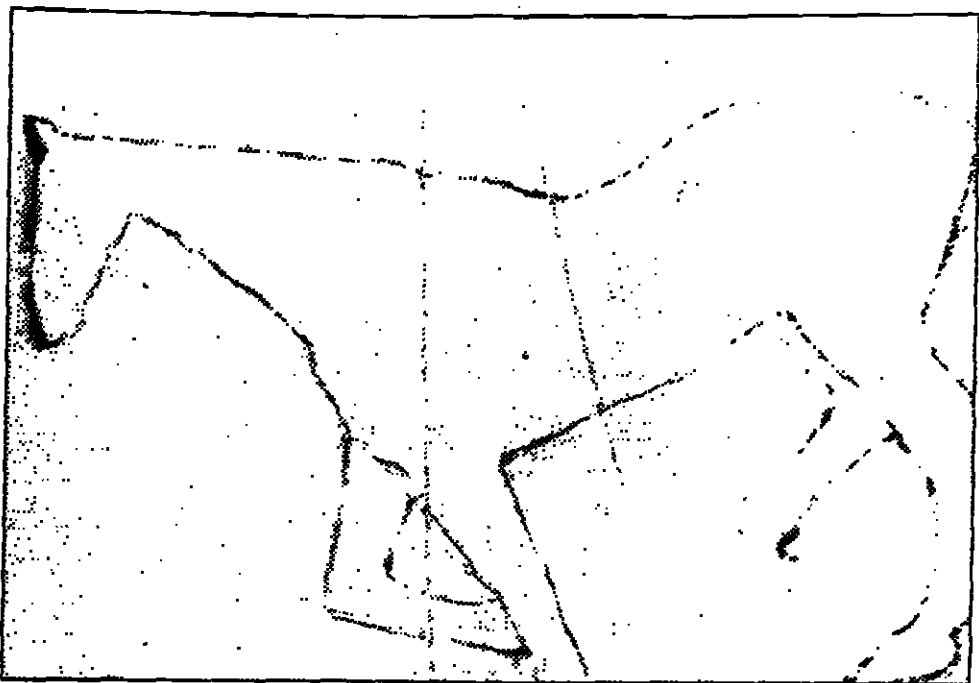
ond Vietnamization of American foreign and internal politics — this time in the United States' sphere of influence. Each superpower has the Afghanistan it deserves.

The solution lies elsewhere. It has been identified by the leaders of Mexico, Panama, Venezuela and Colombia, by the Prime Ministers of Spain and Sweden, by the Presidents of France and Brazil, by large sections of Congress and public opinion in the United States and now by Daniel Ortega Saavedra, the junta coordinator in Managua. The solution is diplomatic, it is political and it must be negotiated. The real challenges in Latin America concern questions of nationalism and self-determination, economic development, social justice and cultural identity. Washington should not fiddle around with gunboats as these challenges grow throughout the hemisphere. Attention should be paid to negotiations in Central America before events in Mexico and Brazil, Argentina and Chile show the true nature of the opportunities and dangers of change in Latin America.

Distracted in the Central American swamp, once again United States diplomacy runs the risk of being caught unawares when the real problems show up.

Carlos Fuentes, a novelist, is finishing a book about the cultural roots of political events in Latin America.

It's Not 'Women's Art,' It's Good Art



Detail of Miss Rothenberg's "Axes" (1976) in the current show of recent acquisitions at the Museum of Modern Art



Susan Rothenberg

By JOHN RUSSELL

There are more good women artists in the United States than in any other country. This has nothing to do with the size of the population, or even with the overall number of women artists. It has to do with the quality of the work, but it also involves a social factor, a professional factor, a liberationist factor and even (on one recent reading) a neurological factor. It stands for the demise of an ancient, cumbersome and quite pointless distinction. There is no such thing as "women's art." There is just good art, and a great deal of it is now being made by women.

It is a matter of fact, and not of opinion, that in the New York of the 1980's shows by women artists have been just as rewarding, and just as widely remarked, as shows by men artists. This is as true of the museums as of the dealers' galleries. If one of the functions of art is to make trouble for the stuffed shirt, then that function could hardly have been better fulfilled than by Louise Bourgeois in the retrospective exhibition of her sculptures last winter at the Museum of Modern Art (which, by the way, has not always been ideally receptive to women artists). Miss Bourgeois has few rivals when it comes to looking into corners of the psyche that are normally kept dark, and she does it with a finality that can leave the observer gasping.

In the current show of recent acquisitions at the Modern Museum, paintings by Elizabeth Murray, Susan Ro-

As everyone knows, Dr. Thomas — known above all as the author of the best-selling "Lives of a Cell" — is one of the wisest men around. Somewhere in the book he says that "family education is something women are better at than men . . . All the old stories, the myths, the poems comprehended most acutely by young children, the poking and nudging and pinching of very young minds, the waking up of very small children, the learning what smiles and laughter are all about, the vast pleasure of explanation, are by and large the gifts of women to civilization. It is the women who remember and pass along the solid underpinnings of culture, not usually the men."

Cogent in itself, that seems to me to go some way toward explaining the fascination of what we learn from Georgia O'Keeffe about bones long bleached in the desert, from Louise Bourgeois about what she calls "the impulse to murder those one loves the most," from Helen Frankenthaler about the storm clouds of the heart, from the early work of Susan Rothenberg about the phantomatic properties of the horse, from Nancy Graves about the metaphoric hoops through which nature's odds and ends can be made to jump, from Jennifer Bartlett about the survival of hearth and home in circumstances no matter how daunting, and from Helen Miranda Wilson about the distillation of the eternal from the particular.

What Dr. Thomas calls "the vast pleasure of explanation" — and what writer will not envy him the phrase? — can operate directly, as it does when Isabel Bishop shows us a race of clear-browed young people who stride across campus as if they had nothing to fear from the future. It can be set off indirectly, as when Alice Aycock builds her cryptic architectures in the open air. It can tremble on the very edge of invisibility, as it does with Agnes Martin, and it can fill the whole room — walls, ceiling, floor and the spaces in between — with an all-American vivacity, as it does when Judy Pfaff lets fly with one of her environmental pieces. It can survey the possibilities of human entanglement, from pillowfight to mayhem, as it does when Dorothea Tanning sets giant to tussle with giantess. It is, in fact, as various as communication itself.

Many of the people mentioned have come up since the bad old days when women artists had at best an auxiliary identity and quite often had no identity at all. There were times when men thought of Georgia O'Keeffe as Mrs. Alfred Stieglitz, and the subject of many of his finest photographs. Lee Krasner was Mrs. Jackson Pollock. Louise Bourgeois was Mrs. Robert Goldwater, and the object of polite interest on the part of scholars who came to consult the distinguished art historian whose wife she was for

Something is owed to members of the women's movement who tunneled away within the art world.

thenberg, Jennifer Bartlett, Pat Steir and Katherine Porter have no trouble in holding their own. At the recent Whitney Biennial a film by Mary Lucier called "Ohio at Giverny" had an unmistakable poetic distinction. That distinction was a film about Giverny where competition was fierce. The film was a still, and the viewer was continually distracted by passers-by. In painting, Melissa Miller (born 1951) and in photography Cindy Sherman (born 1954) made it clear at the Whitney that the supply of good women artists has by no means petered out. As for the Metropolitan Museum, it is very pleased with a painting by Louisa Chase that it lately acquired.

Women artists have had a very good play in the dealers' galleries, too, even if some of those galleries are bastions of a histrionic masculinity. Good art by women in the context of the galleries runs the gamut of age from Georgia O'Keeffe (born 1887) and Louise Nevelson (born 1899) to Marcia Dalby, 25 this year, whose sculptures of wire mesh and cheesecloth made so hallucinatory an effect both at Artists Space on Hudson Street and more recently at the Daniel Wolf Gallery.

There is no mistaking the undeviating candor that Alice Neel brings to the scrutiny of human beings (herself not excluded), the undiminished sense of wonder and amusement with which Marisol reanimates the art of portraiture, or the covert sleight of hand with which Jane Freilicher brings the outdoors indoors (and vice versa) in her Water Mill landscapes. Lists are tedious and not seldom unfair, but it has to be said that the look of New York in the 1980's has not often been as well monitored as by Helen Miranda Wilson, that Barbara Zucker has revived the sense of intelligent play in sculpture, and that Dorothea Rockburne once killed off the notion of art as something that called for a heavy, congested, self-evidently muscular paint structure.

Even those who most rejoice in these achievements find it hard to say what, if anything, they have in common. But insofar as I regard the experience of art as the highest form of adult education, I was struck by something that Dr. Lewis Thomas has to say in his latest book, which is called "The Youngest Science: Notes of a Medicine Watcher."

Even those who rejoice most in the achievements of these women find it hard to say what they have in common.

more than 30 years. Elaine de Kooning was the wife of Willem de Kooning. Dorothea Tanning was Mrs. Max Ernst. Henchpersons they were presumed to be; henchpersons they were expected to remain.

We have come some way since then, but the prejudice in question is not extinct. To this day a woman artist has to deal with prejudice from dealers, from the public, from men artists (and sometimes from older women artists as well). That prejudice may have somewhat abated, but it is still there. Crow may well be the daily diet of the woman artist in what is primarily a man's world. As one of the most gifted woman artists of our day once said to me, "I always hoped that those bastards would treat me as an equal, but now I know that they never will."

That attitude was not confined to this country. Even at its worst, the American attitude was never quite comparable to that of Auguste Rodin. Rodin was quite pleased to have as his student and mistress the sister of Paul Claudel, whom many people then thought of as one of the great French writers. But when he had had enough of her he turned her loose, and the fact that she ended her days in a madhouse did not disturb him at all. No comparable case

Arts & Leisure

given equality of opportunity, they were well able to take it. When denied that equality, they went ahead all the same, as Louise Nevelson did when she was just the daughter and granddaughter of timber merchants in Minsk, and as Lee Krasner did when she produced the early paintings that now look so strong and not a man in sight bothered to look at them.

Quite apart from the factors so far mentioned, there may also be a neurological factor of a kind not yet brought into the open. Dr. Lewis Thomas has something to say about that, too. "It is my belief," he says, "that childhood lasts considerably longer in the males of our species than in the females. There is somewhere a deep center of immaturity built into the male brain, always needing steady and redirection, designed to be reconstructed and instructed, perhaps analogous to the left-brain center for male birdsong, which goes to pieces seasonally and requires the reassembling of neurons to function properly when spring comes. Women keep changing the upper, outer parts of their minds all the time, like shifting the furniture or changing their handbags, but the center tends to hold as a steadier, more solid place."

How about that, for something to think over on the beach? Rash as it may be for a layman to comment, there is undeniably about some of the women artists I have mentioned a steadiness of development and a sense of pacing that very much contrast with the career style of many a male artist, here and elsewhere. Nothing could be farther from that style, with its compound of aggressiveness and opportunism, than the development of Agnes Martin, or of Elizabeth Murray. Anyway, as provocative ideas go, I rate that one very high.

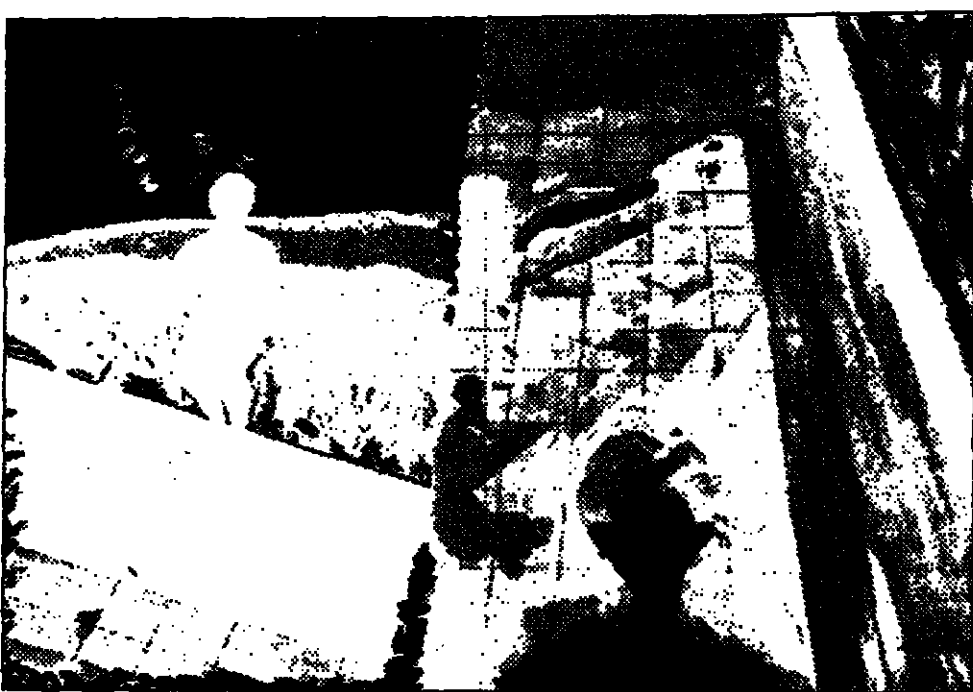
disfigures the history of American art, though once or twice it may not have been for want of trying.

Rare, nonetheless, in English-speaking countries was the woman painter who could rise above the problem of professional status with the equanimity displayed by Vanessa Bell, sister of Virginia Woolf, in the 1890's. "She seems more than usually cheerful," Virginia Woolf wrote to a friend. "She's taken her own line in London life; refuses to be a celebrated painter; buys no clothes; sees whom she likes as she likes; and altogether leads an indomitable, sensible and very sublime existence."

That particular kind of "sublime existence" has become somewhat easier to achieve in the last 25 years. Much is owed to the women's movement in general. Something is owed likewise to those members of that movement who have tunneled away within the art world itself. And because it is difficult to be a good artist at all, and doubly difficult to be a good woman artist in an art world dominated by men, it follows that the women who have made it are often of heroic stature. They are not people to tangle with, either. The man has yet to be born who could sass some of those great seniors and get away with it.

Overseas approval helped, too. People in London soon knew of the celebrated moment in 1952 at which Helen Frankenthaler took hold of the notion of stain painting and ran with it. To many an experienced European observer it was clear in 1962 that Louise Nevelson's was the most remarkable show of recent sculpture at the international Venice Biennale, just as it was clear at the Whitechapel Art Gallery in 1965 that in the paintings of Lee Krasner the great pounding rhythms of Abstract Expressionism had found themselves a new drummer.

Still, the decisive factor was beyond a doubt the ability of American women artists to come on as free and independent human beings, rather than as the tolerated appendages of men. This specific character has not been found elsewhere on anything like so large a scale. When



Miss Bartlett's "In the Garden No. 116" (1982)—She has no trouble holding her own at the Modern.



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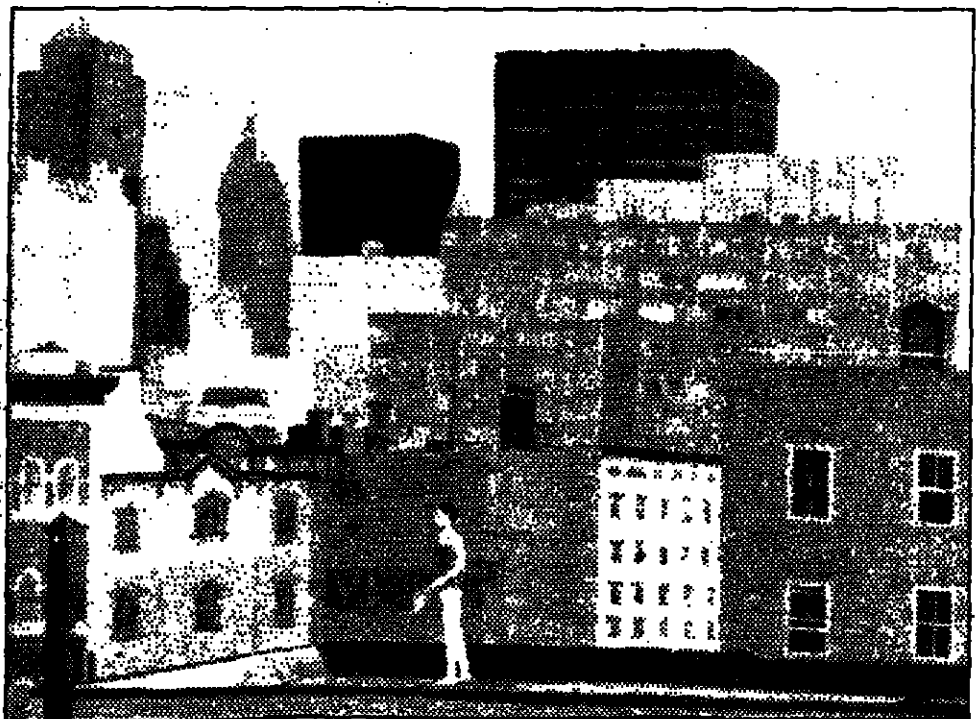


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Miss Wilson's "In the City on the Roof" (1982)—monitoring the look of New York in the 1980's



Helen Wilson

DID PACIFISTS make Auschwitz possible? The name of Auschwitz is all too often taken in vain, not least so in Germany.

The latest instance in which it was used to grind a political axe was when Heiner Geissler, Bonn's minister for family affairs and secretary-general of the ruling Christian Democrats, on June 15 attacked the peace movement and argued that it had been their forerunners, the pacifists of the 1920s and 1930s, who had made Auschwitz possible.

Geissler's statement in the Bundestag aroused an immediate storm of protest from the Social Democrats, the Greens, and also some Free Democrats. SPD Bundestag member Ernst Waltemathe, choking with outrage, wanted to know whether Geissler meant to put the guilt for having been gassed in Auschwitz on Waltemathe's own relatives, who had been pacifists. The leader of the Social Democratic opposition wrote a letter to Chancellor Helmut Kohl, demanding a retraction from Geissler, and announcing that otherwise his faction would introduce a motion calling for the firing of Geissler.

Geissler wrote Waltemathe a letter in which he modified his statement, but did not retract. Later, a day before the Bundestag rose for the summer recess, the SPD motion, supported by the Greens, was debated and — given the absolute majority of the ruling coalition — rejected.

THE DEBATE, however, revealed to what extent large segments of the German public, particularly rightwards from the centre, still tend to trivialize the enormity of the crimes committed in the name of Germany.

The immediate occasion for Geissler's statement was a *Der Spiegel* interview with Bundestag member Josef Fischer from the Greens. In that interview, Fischer, speaking of the nuclear-arms race in Europe, said: "It is certainly right not to cover up the uniqueness of the crime which the National Socialists committed against the Jewish people with hasty analogies. Nevertheless, I find it morally

Pacifists and Auschwitz

By MEIR MERHAV/Post Bonn Correspondent



Helmut Kohl



Hans Jochen Vogel

frightening that, even after Auschwitz, it is not yet taboo, within the rationale of the modern system, to prepare mass destruction — this time not along the lines of a racist ideology, but along the lines of the East-West conflict. I do not draw an analogy here with Auschwitz, but I say that Auschwitz should be a reminder to denounce this kind of rationale, and to fight against it politically."

A few days after that interview appeared, Geissler said in the Bundestag: "The conceptual linking of mass destruction in Auschwitz with the defence of a free and democratic state of law through nuclear deterrence is a confusion of concepts and spirits, which we have to contend with nowadays. Mr. Fischer, in reply to what you have said there, I should like to draw your attention to the following: the pacifism of the 1930s, which differs only little in its ethical views from

what appears in the argumentation of present-day pacifism — that pacifism of the 1930s is what made Auschwitz possible."

IN THE Bundestag debate a week later, Geissler was castigated, together with his defenders — Chancellor Kohl himself and CDU faction leader Alfred Dregger — for falsifying history and adopting positions dangerously close to those of the *Deutschnationale*, the Nazis' fellow-travellers.

"How can you speak of Auschwitz," Hans Jochen Vogel asked Geissler, "without Hitler's racial madness, without his criminal claim to absolute power that led him to exterminate human beings like obnoxious insects — without mentioning all these even with one word? And how can you speak of pacifism without mentioning that it was the German pacifists who had been among the most decisive

voices against Hitler and whom he tortured and murdered in concentration camps long before Auschwitz?"

Willy Brandt, the veteran chairman of the SPD, has rarely been seen in such a rage when he protested against Geissler's slander of the victims of Auschwitz. Even Wolfgang Mischick, the faction leader of the Free Democrats, called upon him to retract.

All these appeals and protests, however, were of little avail. Geissler, notorious as an abrasive polemicist, went only so far as to qualify his statement, saying that he had not meant to saddle the German pacifists with the guilt for Auschwitz, and should have said that the pacifism of the 1930s — meaning the British and French, Chamberlain and Daladier — had made Auschwitz possible by not stopping Hitler.

Kohl rose to the defence of his colleague and accused the opposition of being undemocratic for protesting against Geissler's version of recent German history. Geissler did not mean to hurt anyone's feelings — but was it not true that the appeasement policy of Chamberlain and Daladier had contributed significantly to the shaping of the political scene in those years? The opposition, Kohl charged, was merely trying to push Geissler and himself into a right-wing corner.

KOHL is no heir to Nazi ideology. Nor is Geissler, who, in the Christian Democratic Party, belongs to the left wing in social policy. Both are democrats, in their own fashion, and nobody in the debate charged them with anything else.

However, they speak for many in Germany who are, even after nearly 40 years of democracy, still not able to see the past as part of their own history, but as an act of God, an accident of nature, the fault of others, the sins of a bygone generation that are best forgotten and, in part, condoned.

But as Vogel asked in the debate, are these democrats not aware in what ideological neighbourhood they put themselves when they revive the terminology of "stab-in-the-back," or of calling opponents "criminals" and the like?

visit to Israel, and some took the opportunity to travel to Egypt — taking in the Valley of the Kings, the Sphinx and the pyramids. An enterprising few even went to Jordan.

This year marked the establishment of the "Eternal Link," a one-day event aimed at putting the year in perspective, and providing information, ideas and skills to be utilized on the campuses of the U.S. next year.

Aware that they would return home as representatives of Israel, this year's students seemed more than ever alive to the importance of being well informed on the various controversies in the country, sure to be a focus of questioning in the States.

The Americans are going home, but as ambassadors of Israel, who with the varied experiences of their one year here behind them, are better equipped than most to present an accurate picture of the country to their friends there.

more to it than the Jewish quest for social justice — the purpose, he surmised, was to emphasize the maidens' physical attributes rather than their attire.

AS I SAID before, I've nothing against reasonable quantities of *yiddishkeit*, being a regular listener — when I'm awake — of the early morning readings and interpretation of the Mishna (the second part of tractate *Middot* is now under way).

I particularly liked yesterday's story of how Nicanor went to Egypt to cast the bronze Temple doors and brought them back on board ship. A storm arose and, in order to lighten the vessel, the sailors tossed one section of a portal into the sea. They were about to send another when Nicanor declared that they would have to throw him into the water first. Thereupon, so the legend goes, the waters subsided immediately. There must be a moral there somewhere.

The 15th of Av also marks the waning of summer. As of this date, there was no more hewing of wood for the altars, the reason being, we are told, that there weren't enough summer months left to dry the wood in such a way as to render it fit for Temple use.

Junior ambassadors

By DAVID HOROVITZ/Jerusalem Post Reporter

Polonsky, who is returning next week to her studies at Pennsylvania State. "Where before I never considered making aliyah, it is a serious proposition now," she added.

Most students seem to have shrugged aside the problems of a room that would fit in mom's car, a foreign language and a choice of only two-and-a-half TV channels, to the extent that only a curt letter from the folks back home has kept them from staying on. "I'd love to stay and finish my degree here,"

said Suzy Goldman from Maryland, "but I promised my parents I'd go back, so I will."

This year's programme included an urban, Jewish history and Israeli society courses, talks and tours. Students went on kibbutz and army study visits, and several took part in the OYP Volunteer Project — providing a weekly Moadon for the mentally handicapped from 5 to 16 years old, or visiting and helping elderly Jerusalemites.

For most students this was a first

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Surfeit of sermons

LISTENING IN...Ze'ev Schul

from Spain, which happened on the 9th of Av, 1492 — but not the destruction of the two Temples. Josephus Flavius also claims the Romans destroyed the Second Temple on the 10th of Av.

Where does that leave us? For all we know, we may be attending a *simcha* on the 10th day of Av — the day available evidence says the walls of the First Temple crumbled and also that on which the torch was tossed into the Holy of Holies of the Jewish People.

What I am trying to say is that it is all redundant: the observant don't listen on the 9th of Av, anyway. It is not that I mind religious programmes; what I object to is their frequency and duration, and, above all, the lack of alternatives. I like to pick my own dates for being sad.

ON THE OTHER HAND, there was last Sunday's programme, featuring something called the "Feast of the Translators of the Bi-

ble in the Armenian Church" and a lesson by Rabbi Adin Steinsaltz.

What got me was that the true religious significance of the night was totally overlooked by our radio programmers. For this was none other than the 15th of Av (Tu B'Shvat), the traditional day of biblical merrymaking, when the virgins of Israel would don white smocks and go into the vineyards to sing and dance and indulge in whatever activities were permitted within the framework of biblical morality. The day marks the one harvest festival. It rates as a minor holiday on the Jewish calendar, but is equal in standing with Purim.

A nice touch to the event, according to my copy of the Encyclopedia Judaica, was that the maidens all borrowed the dresses they wore for the occasion, so that there should be no loss of face for any girl unable to afford a dress of her own. One old lecher of my acquaintance suggested there was

PACKING AWAY their tape recorders, toaster ovens and teddy bears, the American students on Mount Scopus are going home. Having completed the Hebrew University's One Year Programme (OYP), the 550 or so undergraduates are signing each other's year books, exchanging phone numbers, and returning to universities in the U.S. to complete their degrees.

The OYP, set up in 1955, began with some 20 students coming to spend their junior university year in Israel. By 1966 there were over 150 students on the programme — aimed at providing "an academic introduction to Judaism and Israel, that often leads to the strengthening of the Jewish identity," in the words of Israel Roi, Vice-Provost of the Rothberg School for Overseas Students which houses the programme.

And indeed, the OYP seems to achieve this aim: "I've learned a great deal, about Judaism and Israel, in my time here," said Abby

THE GLOOM boom is on. Beginning with the ninth day of Av, through the Slichot prayers, and culminating with the grand silence of Yom Kippur, we are about to experience our regular one-month ordeal of sermons, laments and repentance dished out by Israel Radio in portions of Sephardi, Ashkenazi, Cochini, Kurdish and you-name-it traditions. There are no alternatives for secular listeners, although, to the best of common knowledge, they represent the majority of radio fee-payers.

I take issue with the Tisha Be'Av programmes in particular, without belittling the significance of the day. What occurred was a historical tragedy of the greatest magnitude, but it was a long time ago — and didn't necessarily happen on the 9th of Av, either.

According to the records, the First Temple was destroyed by Nebuchadnezzar on the seventh day of Av, 586 B.C.E. (Kings II, chapter 25, 8-9). The prophet Jeremiah said it occurred on the 10th day of the month. The rabbis, however, chose the 9th as a fast day because of the unusual number of calamities that befell the Jewish People on that date.

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Further details are available at the Administration's district office at the above address. This notice is valid until October 4, 1983.

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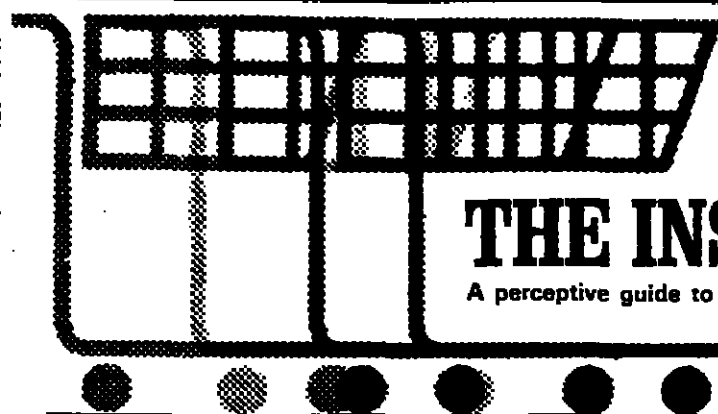
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Need for bi-weekly progress report irks building engineers

By AARON SITTNER
Jerusalem Post Reporter

Construction engineers, architects and building contractors are up in arms over new regulations by the Interior Ministry, scheduled to go into effect next month.

The stricter rules require construction engineers to report every two weeks to the local city engineer on the progress of each and every

project. These reports must be accompanied by a written statement in which the engineer certifies that he has visited the construction site and that the materials used conform to the approved building plan.

Failure to submit these bi-weekly reports — even once — would result in revocation of the building permit.

Arguing that supervising construction work is not the job of the

building engineer, Eldad Bookspan, chairman of the Independent Architects and Building Engineers Association, said: "The new regulations make building engineers the scapegoats of the public and of the local authorities. By making our members liable to criminal and civil suits, the regulations would soon put us out of business."

Besides, he added, the additional paper work involved in the new

procedure would slow down the pace of construction and lead to higher costs.

David Stern, president of the Federation of Builders and Contractors, agrees with the Architects and Engineers Association. He said: "Every amendment to the Planning and Building Law seems to make things worse than they are. What we need now is a complete revision of that law."

Your money and your questions

By JOSEPH MORGENSTERN

QUESTION: Very little is written about index-linked bonds. Are they a good investment?

ANSWER: Many of the government index-linked bond issues have not kept pace with inflation. In June, however, yields of 11 per cent were visible amongst some of these bonds. There are prospects for a real return over the rest of the year.

QUESTION: Much is written about the banks "stabilizing" their own shares. Why do they do this?

ANSWER: A good number of years ago the banks as part of their massive expansion programmes had to compete for investors' monies and primarily for funds held in index-linked bonds. In order to make sure that investors would get a handsome return on their funds, the banks instituted a policy of stabilization for the prices of their shares. It is not surprising, therefore, that in view of the excellent yields provided by bank shares, investors fully subscribe to rights issues of the banks.

QUESTION: My wife and I consider retiring in Israel. How much money would we need to create an income to cover our living expenses?

ANSWER: A nest egg of \$50,000 invested in the shares of commercial banks, based on the experience of recent years, could yield approximately \$1,000 a month while leaving the principal untouched. At current interest rates one would need \$120,000 to obtain an equivalent \$12,000 income abroad.

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Devaluation won't help exports—Euroteam

By MACABEE DEAN

Jerusalem Post Reporter

TEL AVIV. — A massive devaluation of the shekel will not increase exports, according to the Euroteam financial consultants. The firm points out that the prices Israeli exports obtain abroad are determined by international conditions. Any massive devaluation of the shekel, the experts say, would probably lead to the government's reducing the export benefits it grants now, leaving manufacturers in the same position they are now.

Euroteam also points out that while exports dropped by 5.5 per cent in dollar terms last year, most

of that drop — 5.2 per cent — was due to lower prices obtained abroad. "The volume of exports itself fell by only 0.3 per cent."

Discussing prospects for this year, the firm notes that the gap in the trade balance will probably grow by 35 per cent, to stand at \$3.9 billion, with imports at \$8.45b. and exports at \$4.55b. This estimate is based on the continuation of the current lack of growth in exports and a drop in imports due to the imposition of the compulsory deposit. The gap will continue growing mainly due to the increased prices that Israel will have to pay for raw materials caused by the easing up of the world recession.

"As a matter of fact, if the prices of both exports and imports had increased in 1982, as they did in former years, at a pace of five per cent, the deficit in the balance of trade would have grown to \$3.1b. (instead of \$2.9b.)." The drop in international prices reduced the trade deficit.

Euroteam believes that the government can best reduce this deficit by reducing its spending, and by restricting credits, or by increasing taxes. "Of these three approaches, the most advisable is to cut government spending," Euroteam believes this must lead to unemployment.

Many young widows live below poverty line

By MACABEE DEAN

Jerusalem Post Reporter

TEL AVIV. — Most young widows have a rough life in Israel, according to Moshe Pereg, general manager of Menora Insurance.

Writing in a recent issue of "Insurance" (Bituah), the organ of the insurance industry in Israel, he notes that "with the death of the breadwinner, most widows face a life of hardships — which could have been avoided if the spouses had taken out life insurance as part of every family's savings planning."

According to the figures he quotes, which are based on surveys by the National Insurance Institute, 60 per cent of the widows have a

standard of living that places them in the lowest tenth of the population. Moreover, 64 per cent of these widows have three children, or more, and their sole income is from the National Insurance Institute.

"Some 70 per cent of these widows cannot afford the price of a movie or a theatre ticket."

Another National Insurance Institute survey showed that 38 per cent of the widows have an income below that of the poverty line, and 70 per cent face "very grave financial problems." The great majority of all these widows, 91 per cent, have children under the age of 18.

Pereg suggests that the best solution for this problem is that the

breadwinners, despite the fact that many are young, think about the future, and realize that they may be accidentally killed, leaving a widow and children without adequate financial means.

However, he does note that more and more persons are thinking about life insurance. While premium income from policies sold was only \$22.5 million in 1968, it rose to \$162m. in 1980 (the latest figures available). Life insurance claims rose from \$1.6m. in 1969 to \$40.9m. in 1977 (latest figures available).

"The life insurance industry has grown much faster than the Gross National Product," Pereg says.

Reagan for \$8.4b. rise in IMF contributions

WASHINGTON (AP). — President Ronald Reagan expressed support Saturday for legislation that would increase U.S. contributions to the International Monetary Fund by \$8.4 billion.

Denying that the IMF money was a foreign-aid "giveaway," the president said in his weekly radio address that the organization "creates jobs, because it keeps the wheels of world commerce turning."

He called the administration's request, which is due for a House of Representatives vote next week, "important legislation for international economic stability."

Financial Times strike could spread

LONDON (AP). — A labour dispute closing the *Financial Times* for seven weeks worsened last week with a union threat to shut down all the other 16 national daily and Sunday newspapers if the company tries to resume printing in West Germany.

The warning was issued by the National Graphical Association (NGA), a 136,000-member union whose print workers control vital production processes in Fleet Street, London's newspaper row.

The NGA called out its 270 members at the *Financial Times* in support of 24 press managers, who

struck on May 31 for a pay hike. The 24 want a raise to £322 weekly from £304.67.

The NGA ultimatum followed press reports that the pink-paper business daily is poised to resume printing in Frankfurt next week of the 60,000 copies it produces for Europe and the U.S.

The German edition could be the forerunner of the whole 200,000 print run, with copies airfreighted to Britain.

The company, which is still paying the rest of its 1,500 staff, said that the strike is costing it one million pounds a week.

EC staves off bankruptcy with new budget

BRUSSELS (AP). — European Community governments staved off bankruptcy for their 10-nation trade block Friday by agreeing to contribute 2.195 billion ECU more to their joint budget this year.

After two days of negotiations, budget ministers voted 8-1 for a supplementary appropriation to pay ballooning agriculture costs and give Britain a special 307 m. ECU rebate.

One ECU equals \$0.88. British representative Nicholas

Ridley voted against the plan because he thought the British rebate was too low.

EC executives proposed the supplementary appropriation last month after voicing concern that the trade bloc would run out of money in October because of higher-than-expected spending for agriculture subsidies.

The total EC budget is now 25b. ECU. Of this 64.5m. ECU went for aid to foreign countries.

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A R U N T E B H
T R A N S I T I N G R A T E
T E S O A N R
H E A R T R E N D I N G

Quick Solution

ACROSS: 5 Mynah, 8 Disaster, 9 Derby, 10 Carousal, 11 Odds, 14 Ace, 16 Screen, 17 Toast, 18 Tay, 20 Give, 24 Secured, 25 M. M. Divided, 27 Stalk. **DOWN:** 1 Elder, 2 Unlucky, 3 Issue, 4 Decca, 5 Telescreen, 6 Accident, 7 Bessie, 13 Bessie, 14 Ace, 15 Sky, 19 Arctic, 21 Gamble, 22 Ebb, 23 Seed.

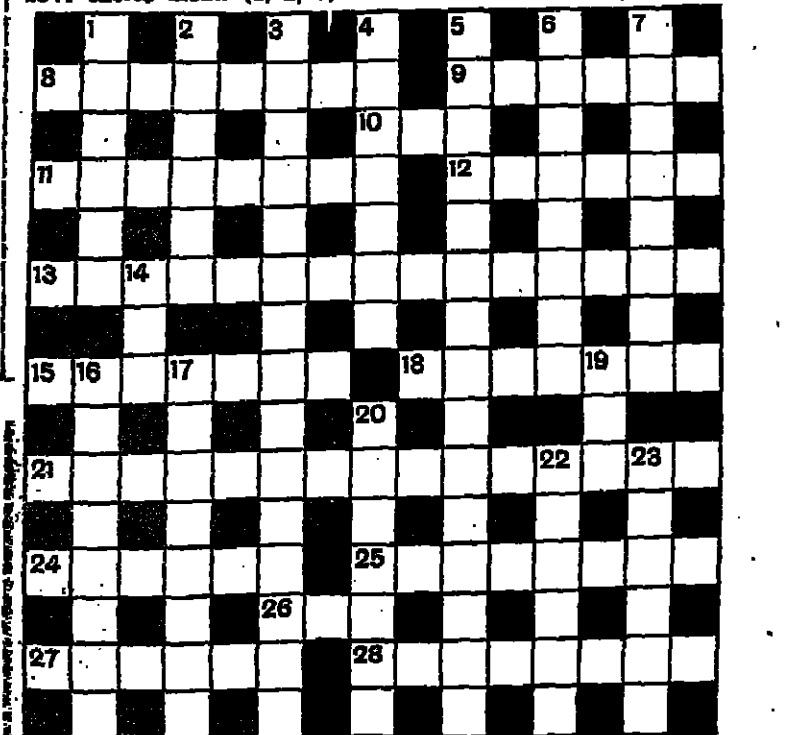
ONE-AND-ONE CROSSWORD

ACROSS

- 8 Global degree of freedom (8)
- 9 A speaker returning brief thanks amid golden words (6)
- 10 Is it suitable for a fellow to take it? (3)
- 11 A rum old ring scheming, and I don't like the smell of it (8)
- 12 Fish strike in Pacific island (6)
- 13 A tiny cast acting with false style (10, 5)
- 15 Try putting extra-terrestrial representative in a man's race first (7)
- 18 Taken in by the spelling (7)
- 21 Polish courses here ending the day's lessons? (9, 6)
- 24 Tie down murrily set in the cooler (8)
- 25 International organisation I serve messed up the whole system (8)
- 26 "Umberto's inner man" (3)
- 27 Gangsterland's Albert East put the lid on it (6)
- 28 A choice menu (1, 2, 5)

DOWN

- 1 Defence chops perhaps take in heavy guns (6)
- 2 Detailed information for backing horses? (3, 3)
- 3 One who aims to get big names (9, 6)
- 4 A recurring phrase from the umpire: "An artist is bating!" (7)
- 5 A little buildings-up to restore the sickly (7, 3)
- 6 A first-degree man not in any union (8)
- 7 Be cool at fixing footwear (8)
- 14 Reformer's start to overthrow corruption (5)
- 16 Three bodies afloat after craftily joining up (8)
- 17 Six given new notice about dispossession (8)
- 19 Low sound in the milking shed (5)
- 20 The kind of beastliness found in our race (7)
- 22 Has put Eastern money into some laughably wild stock (6)
- 23 Where film actors simulate violent attacks (6)



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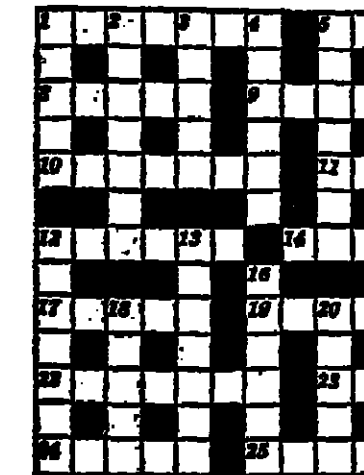
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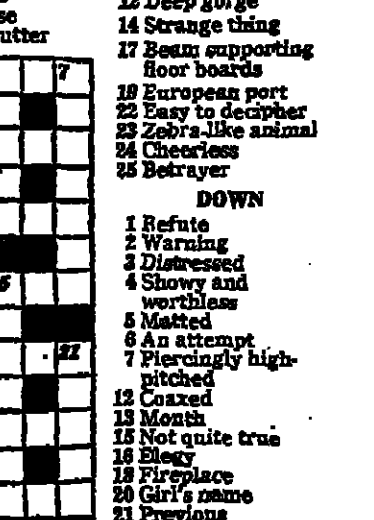
ACROSS

- 1 Sports implement
- 5 Rows
- 8 The dumps
- 9 Royal house
- 10 Nervous flutter



DOWN

- 11 True
- 12 Deep gorge
- 14 Strange thing
- 17 Beam supporting floor boards
- 19 European port
- 22 Easy to decipher
- 23 Zebra-like animal
- 24 Cheerless
- 25 Betrayal



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Ailing share market sinks lower

TEL AVIV. — The share market yesterday continued to absorb more than its customary amount of "jumps and bumps" as the week began on a disappointing note. In the background hovered a variety of uncertainties which affected investors' attitudes. The uncertainties included rumours that the Treasury was considering a 10 per cent devaluation. Added to this were the current political problems. It was therefore little surprise that even the hardest of investors were scared of the market.

The statistics made unhappy reading. A full 138 securities were down by 5% or more, and of these 33 were "sellers only."

Losses of up to 10% were recorded in the industrial sector, and similar losses were to be seen

Tel Aviv Stock Exchange

By JOSEPH MORGENSTERN

among land development, real estate and citrus plantation issues. The services and trade sector, oil company issues as well as investment stocks reflected losses of up to 8 per cent.

The worst performance of the session was pinned on Pargod, whose price plummeted by no less than 39.9%.

The General Share Index, commercial banks excepted, was down a hefty 2.4%. The service and trade sector was hardest hit, with a loss of 3.57%.

Only the commercial banks' shares were able to wind up the session on the upside. What little encouragement could be drawn from yesterday's action was to be found in that group. The Big Three banks all came through with identical 0.3% advances. Union Bank joined the group and the Israel General Bank, along with Mizrahi, chipped in with their customary 3.5-point and six-point advances.

The shares of the Maritime Bank were less fortunate, with the 0.1 shares dipping by 6.5% while the 0.5 shares were down by 3.5%. Danot 5.0 was a 5% loser, while FIBI was nearly 5% lower.

The mortgage bank equities could not keep pace with the commercial bank group. Independence Bank shares were established as "sellers only," while Merav was clipped for a 7.5% loss.

There appeared to be little protection from falling prices in the insurance group. Aryeh was down by almost 8%, while Phoenix 0.1 was clobbered for a 10% loss.

Losses of up to 10% were evident among service and trade issues. Cold Storage 0.1 and Harel 5.0 were both down by 10%.

Land development and real estate shares were hit by selling and prices declined across a broad front. Amnion emerged on the "sellers only" list. Bayside 0.1 was down by 10%, but the shares of Property and Building, Bayside's parent company, remained unchanged in spite of heavy selling pressure.

Industrials were sharply lower. The most hapless individuals were those who are still holding Pargod shares, which were down by almost 40%. In a market of this type shares which do not have the support of one of the banks or of a mutual fund can find their prices falling by tens of percentage points.

Investment company stocks were also broadly lower. Pama 0.1, in the United Mizrahi group of shares, was 9.3% lower.

It now appears that the Treasury has set the stage for the smooth conclusion of the Clal-Israel Corporation deal. However, investors were not impressed. The Israel Corporation 1.0 shares were down by nearly 6%.

Index-linked bonds generally were moderately higher. Bonds linked to foreign currency were up by as much as 2%.

Friday's devaluation of the shekel was 2.2 percent. Since the beginning of July the local currency has been devalued by 5.3% against the dollar. Estimates for the July index are in the order of 8% and the pace of devaluation would have to be speeded up markedly if the shekel is to keep pace with inflation.

Most active stocks

Leumi	162	3,943.6	+5
First Int'l	580	3,111.3	+7
Danot 5.0	274	2,410.9	-18
Shares traded:		18,900.2m.	
Over-the-counter:		15,175.4m.	

BOARD MEMBERS. — Yitzhak Adler and Uri Hamani have been appointed members of the board of management of Bank Hapoalim, representing Hakibbutz Ha'arzi and Tenuat Hamoshavim, respectively.

Commercial Banks

Stock	Volume	Change	%
IDB p	22550	+10	+1
IDB r	3623	+12	+3
IDB B r	3660	+20	+6
IDB p.A	22550	+3	+9
IDB B p.A	2670	0	0
Union r	2735	+7	+3
Union op 4 r	4639	+11	+2
Discount A r	4639	+11	+2
Discount op 2	3700	+19	+5
Discount B	525	1,859	n.c.
Mizrahi r	1519	+6	+4
Mizrahi B	1519	+6	+4
Mizrahi op 3	2710	+7	+4
Mizrahi op 11	1025	-15	-1.4
Mizrahi B 6	12300	0	0
Mizrahi op 7	570	+2	+4
Mizrahi op 9	800	+34	+4.3
Maritime 0.1	399	-8	-2
Maritime 0.5	4400	-3	-1.1
Hapoalim p.B	2426	+3	+1
Hapoalim r	2426	+3	+1
Hapoalim B	2426	+3	+1
Hapoalim op 13	300	+8	+2.7
Hapoalim B 6	13400	0	0
Hapoalim B 6	9250	0	0

Land, Building, Citrus

General A	6725	106	+35	+5
General op 6	3492	1	+342	+10
General op 8	12810	7	+20	+2
General op 5	4280	9	+20	+5
General r	260	270	n.c.	0
Leumi	3343	+5	+3	
Leumi op 4	2350	+1	+4	
Leumi op 9	2125	+1	+2	
Leumi op 11	542	n.c.	0	
OHR r	2185	+1	+5	
Finance Trade 1	2020	+9	+3.1	
Finance Trade 5	1060	+4	+3.0	
Finance Trade 10	1550	+40	+3.3	
N. American 1	275	95	+5	
N. American 5	1972	+43	+10	
Danot 1.0	1070	132	+30	+2.7
Danot 5.0	274	2410	-16	-5.5
Danot op 2	710	79	-50	-6.6
First Int'l 5	600	3,581	-7	-1.2
FIBI	602	1,461	-30	-4.8

Mortgage Banks

Adanim 0.1	2240	33	-8	-4
Gen Mortgage r	1860	215	n.c.	0
Gen Mortgage B	1860	n.c.	0	0
Carmel r	2410	12	n.c.	0
Carmel B	12	n.c.	0	0
Carmel deb	105	879	+2	+1.9
Binay	3920	56	840	+1.0
DevMortgage r	1325	540	n.c.	0
DevMortgage B	1325	23	n.c.	0
DevMort op	70	35	n.c.	0
DevMort op 2	4045	102	n.c.	0
Mishkan r	4053	1	n.c.	0
Independence	1724	6.1	-1	-5.0
Indep. op 1	4020	2	-380	-8.6
Tefahot p r	2625	8	+1	+4
Tefahot B	167	167	+1	+4
Tefahot B	2725	3	n.c.	0
Tefahot op 1	7050	4	+100	+1.4
Tefahot deb. 1	1017	245	+2	+2
Tefahot deb. 2	259	1208	+6	+2.4
Merav r	236	48599	-19	-7.5

Financing Institutions

Shilton r	202	90	-4	-1.9
Shilton op 1	1571	1	n.c.	0
Shilton B	989	1	n.c.	0
Ozar Loh	1030	33	+4	+5
Ozar Loh B	898	1	+4	+5
Contractors C	323	6.1	-17	-5.0
AgriCulture A	12400	24	-74	-6
AgriCulture B	12756	21	-50	-4
Clal Lease 0.1	470	21	-17	-3.6
Clal Lease 0.5	264	230	-20	-7.0
Clal Lease op 1	433	1	n.c.	0
Clal Lease B	355	66	+4	+1.1

Insurance

Aryeh r	821	230	-70	-7.9
Aryeh op 1	32051	1	+1	+1
Aryeh op 2	632	37	n.c.	0
Aryeh op 3	1880	1	n.c.	0
Aryeh op 4	1520	-3	n.c.	0
Aryeh op 5	498	5.1	-26	-5.0
Reinsur. 0.1 r	900	8	-35	-7
Reinsur. 0.5 r	730	33	+10	+1.4
Reinsur. op 1	1390	43	+30	+3.0
Hadar 1.0	283	43	-5	-1.7
Hadar 5.0	184	372	-18	-8.9
Hadar op 1	301	5	-20	-6.2
Hassneh r	1268	538	-42	-3.2

Services & Utilities

Galei Zohar r	185	102	n.c.	0
Galei Zohar B	199	114	-6	-2.9
Galei Zohar op 1	115	161	-3	-2.5
Data Mikun	224	64	-18	-7.4
Delek r	2085	181	-100	-46.0
Delek B	100	203	-30	-8.7
Delek op 1	124	91	-14	-10.1
Delek op 2	81	23	n.c.	0
Lighterage 0.5	450	33	-6	-6.3
Lighterage 1.0	557	172	-16	-10.0
Cold Store 0.1	12636	-1404	-10.0	-10.0
Cold Store 1.0	400	24	-21	-2.2
Israel Elec. r	518	11	-1	-0.2
Dun Hotels	319	305	-3	-1.5
Dun Hotels B	156	1133	-3	-2.2
Coral Beach	74	47	n.c.	0
Hilan	280	56	-10	-3.5
Hilan op 1	447	11	-12	-3.3
Teta	219	5.1	-11	-4.8
Teta 5	125	202	-5	-3.9
Teta op 1	57	403	-8	-12.3
Clal Comp	647	-34	-5.0	-5.0
Clal Comp op 1	518	-50	-8.8	-8.8
Malal r	420	n.c.	0	0
Malal B	333	n.c.	0	0
Malal op 1	191	48	+1	+5

Commercial Banks

Magor 0.1	210	83	-15	-6.7
Magor 0.5	164	96	-13	-8.6
Magor op 1	720	0	-71	-9.0
Bond Warc 0.1	250	85	-10	-3.9
Bond Warc 0.5	157	347	-13	-7.7
Bond Warc op 1	113	117	n.c.	0
Yahalom r	112	2657	-3	-3.0
Yahalom op 1	145	200	+5	+3.6
Nikuv 1.0	110	45	n.c.	0
Nikuv 5.0	427	59	-64	-13.0
Nikuv op 1	270	11	+1	+4
Consort. 0.5	196	68	n.c.	0
Consort. op 1	127	5.1	-29	-9.7
Consort. op 2	130	5.1	-29	-9.7
Consort. op 3	190	1	-6	-3.1
Kopel 1	93	85	-8	-9.4
Kopel op 1	362	2	n.c.	0
Rapac 0.1	1774	0	-70	-3.8
Rapac 5.0	334	161	-8	-2.3
Supersol 2	1230	126	-50	-3.9
Supersol 10	681	343	+6	+0.9
Supersol op 1	185	109	-80	-8.6
Time 1	625	34	-35	-5.3
Time op 1	490	15	n.c.	0

Land, Building, Citrus

Oren	440	6	+8	+2.2
Azorim Invest.	252	267	-9	-3.5
Azorim op 1	321	584	-16	-4.8
Azorim op 2	225	10	+10	+4.5
Azorim op 3	734	5	n.c.	0
Azorim op 4	623	96	-10	-2.7
Amnion 1	224	n.c.	0	0
Amnion op 1	100	24	-14.5	-14.5
Africa 1.0	8990	34	n.c.	0
Africa 5.0	8080	6	+12	+2
Africa op 1	5820	2	n.c.	0
Azriel op 1	205	148	-30	-8.9
Azriel op 2	139	n.c.	0	0
Aradon 0.1	251	168	n.c.	0
Aradon 5.0	160	233	-2	-1.2
Ben Yakar	518	36	-2	-4
Ben Yakar op 1	439	6	-51	-10.4
Baranovitz 1	139	112	n.c.	0
Baranovitz 5	65	+2	+2.2	
Baranovitz op 1	85	7	+9	+11.8
Danur 1	1017	n.c.	0	0
Drucker 1	219	156	-6	-2.7
Drucker op 1	101	132	-9	-8.2
Darad 0.1	306	41	-10	-3.2
Darad op 1	142	235	-8	-5.3
Darad op 2	1010	7	-25	-9.1

Services & Utilities

HLB 0.1	140	10	-10	-2.6
HLB 5.0	515	6	-6	-1.2
Property Bldg	2120	665	n.c.	0
Bayside 0.1	1017	126	-113	-10.0
Bayside 0.5	950	72	-40	-4.0
Bayside op 1	1170	33	-50	-4.1
ILDC r	250	513	-90	-3.8
ILDC B	254	0	n.c.	0
KCP r	253	100	n.c.	0
KCP B	253	398	-1	-0.4
Israelon	287	63	-32	-10.0
Israelon B	663	-12	-1.7	
Cohen Dev.	180	11	-11	-5.7
Cohen Dev. op 1	142	34	-21	-3.1
Lumir 1.0	50.1	-8	-5.1	
Lumir 5.0	81	37	-9	-10.0
Lumir op 1	63	161	n.c.	0
M.T.M. 1	143	515	n.c.	0
M.T.M. op 1	1000	6	-51	-4.9
Mehadrin r	2320	35	-70	-2.9

M.T.M., up	1000	9	n.c.	0
M.T.M., up 1	1000	6	-51	-4.9
Modul Beton	2320	35	-70	-2.9
Michael 5	1063	13.1	-55	-5.0
Menrav	220	228	0	-8.3
Mar-Lex	175	302	+2	+1.2
Mar-Lex op 1	94	43	-9	-8.7
Meshulam r	301	73	n.c.	0
Meshulam B	87	111	+1	+1.1
Meshulam op 1	88	100	+1	+1.7
Lifshitz 1	179	329	-5	-3.0
Lifshitz 5	2108	297	-5	-4.4
Lifshitz 5 Aviv	86	114	n.c.	-1.9
Lifshitz 5 Hador	3530	300	-70	-7.3
Lifshitz 5 Hador	580	114	-20	-23.3
Michael Bon. p. A	5590	233	-350	-5.9
Lifshitz 1	385	38	n.c.	0
Lifshitz 1	323	35	n.c.	0
Lifshitz 1	227	5	n.c.	0
Lifshitz 1	227	5	+2	+1.9
Tri Or	870	24	-10	-1.1
Tri Or op	659	5	-92	-12.3
Assano 0.1	113	51	-2	-0.9
Assano 0.5	85	23	-5	-0.6
Assano 1	308	112	-2	-5
Assano op	326	109	n.c.	0
Assano op	160	94	-1	-0.6
Assano p.f	685	179	-36	-5.0
Assano p.f	715	7	-4	-4
Assano op	600	345	n.c.	-4
Assano 3	99	157	-1	-1.0

Ari Rath
Editor and
Managing DirectorTHE JERUSALEM
POSTErwin Frenkel
Editor

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Menahem Av 15, 5743 • Shawwal 15, 1403

Syria vs Jemayel

THE FORMATION over the weekend of a "National Salvation Front" comprising three pro-Syrian leaders opposed to President Amin Jemayel has created a new situation in Lebanon. It has brought Lebanon significantly closer to a *de facto* partition that would leave much of the country under Syrian and Israeli control, with only the rump comprising Beirut and the Maronite hinterland to the north in the hands of Mr. Jemayel's central government.

The move, announced on Saturday by Maronite former president Suleiman Frangieh, Moslem former prime minister Rashid Karamah, and Druse leader Walid Jumblatt, was plainly coordinated with Syria. The seriousness of the move was underlined by the savage bombardment of Christian areas in and around Beirut the day before by Mr. Jumblatt's Druse militia, which are being openly supported by the Syrians.

Plainly, Syria sees little hope that Mr. Jemayel will abandon his pro-American course and scrap the agreement with Israel. It is now intent on rallying indigenous opposition, both military and political, to his government.

The fact that Friday's bombardment and Saturday's formation of the Front coincided with Mr. Jemayel's visit to Washington would appear to indicate a deliberate bid by Damascus to undermine Mr. Jemayel's credibility in the eyes of the Americans, and to scotch any lingering hope that Syria might yet agree to withdraw its forces from Lebanon.

But there is still another dimension to the latest moves. With Israel's pullout from the Shouf now virtually assured, Mr. Jumblatt has taken the opportunity to signal Mr. Jemayel that Lebanon may be in for another bloody round of civil war should the president attempt to assert his control over that heavily Druse-populated area without coming to terms with the Druse leadership.

This would mean, in the first place, making certain that the Druse won't be left at the mercy of the Phalanges. But it would also mean readiness by Mr. Jemayel to meet certain political conditions, including those dictated by Mr. Jumblatt's Syrian masters — that is, a move away from his present pro-American orientation to a more pan-Arab one, with the concomitant abrogation of the accord with Israel.

Mr. Jemayel could conceivably be persuaded to assuage some of the Druse fears by, for example, appointing Druse rather than Christian commanders to Lebanese army units stationed in the Shouf after Israel withdraws. But it is considerably less likely that he will give in to the political demands made by Mr. Jumblatt.

A heavy cloud thus hangs over Israel's impending evacuation of the Shouf: the prospect of civil war in the mountain area itself, coupled with a serious challenge to the central government by what is, to all intents, an alternative government based in Syrian-held territory and headed by three prominent leaders representing all but one of the major religious groupings that make up Lebanon's political mosaic.

The one exception is the nearly one-million strong Shiite community, the country's largest, whose leader, Nabih Berri, while tending to sympathize with the Front, has so far refrained from joining it.

The official line is that Mr. Berri is awaiting the outcome of Mr. Jemayel's visit to Washington. But an additional, and more compelling, reason could be the fear that by joining the Front Mr. Berri could separate the Shias in the Syrian-controlled Bekaa from the very large Shiite group in Israel-controlled South Lebanon. Mr. Berri, at least, would like to avoid a partition of Lebanon, if he can.

The real desecrators

THE ULTRA-ORTHODOX in Jerusalem are not content to refight the battle of Area G: they are also out to desecrate Jewish graves in a vengeful campaign to stop archeologists from digging up any area which might contain Jewish bones. But in this country, as the Jerusalem district archeologist for the Antiquities Department said, two years ago, "There is almost no dig where you don't hit bones."

If the presence of bones is to be a complete bar to excavation, then archeology in Israel must be pronounced dead.

This prospect does not alarm the religious vandals one bit. On the contrary, they, unlike the overwhelming majority of the nation, might welcome it. To them, the establishment by scientific means of the historical nexus between the Jewish past and the Zionist revival in the Land is not merely an irrelevant occupation, but a hateful one. For that connection is anathema to them. They chose their enemies right when they desecrated the graves of the families of Eliezer Ben-Yehuda and Eliezer Sukenik.

Such criminal acts are, of course, a matter for the police. But while the hunt for the perpetrators is apparently on, the Knesset itself is ironically set to hand them their hearts' desire on a silver platter.

This would be the result of the passage of a private member's bill sponsored by Agudat Yisrael, to which the Likud is committed under the coalition agreements of 1977 and 1981. Under this bill, which is due to be tabled today, if graves — that is, bones — are found at an excavation site, all digging must stop and the Chief Rabbinate, which is to be immediately notified, is to rule on how to proceed. Most likely, the Chief Rabbinate will decide to close down the site.

At best, the Chief Rabbinate might relent if it could be persuaded that the bones were not Jewish but Philistine, or Roman, or Arab. But for Jewish archeology in Eretz Yisrael, the enactment of the Aguda bill would be a death blow.

The archeological community in this country is understandably up in arms. So are a number of Liberal parliamentarians who find it hard to reconcile true liberalism with surrender to religious coercion. But they are up against heavy odds. During the past six years, the interests of the coalition have consistently tended to prevail over all other interests.

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The price of full employment

By DAVID KRIVINE

THE BUDGET-CUTTING measures under consideration in the Treasury to remedy Israel's economic ills (of inflation and trade deficits) are welcome — with this proviso, that they are likely to create a new problem: unemployment.

All the world suffers from that malady. Israel is not immune; it has simply postponed the evil hour, by organizing what might be described as a policy of extravagance.

The difference between us and other industrialized states is that they have tried to reduce their budget deficits, while we have been expanding ours. Living standards are falling there, but rising here. They are short of spending-money, we have it coming out of our ears.

Unemployment in the world shows signs of becoming chronic. Output has not dropped, but the number of jobs has. There are two reasons for this. The public has less money to spend, but the cost of labour has not declined; high wages are pricing working men out of their occupations. Second, machines can do the work more cheaply, so machines are replacing people in places of employment.

When I was staying in a London suburb two years ago, the petrol-station down the hill employed uniformed attendants who manned fuel pumps, measured the cars' oil levels and passed a cloth over the windcreens.

During my last visit two months ago I had to do my own dirty work, and dirty work it was too. "Where is everybody?" I inquired. "At £80 a week I can't afford to employ them," was the answer.

WE SHALL be in the same position once Aridor eliminates his budget deficit. He will have to do that sooner or later, because the world is not going to support us for ever in

the style to which we are accustomed.

If we do not mend our ways we shall run out of credit and be forced to seek aid from the lender of the last resort, the International Monetary Fund. The IMF will not dish out the cash unless we produce a balanced budget.

Once we produce a balanced or near-balanced budget, we shall be — like everybody else — assailed by the plague of joblessness. Aridor is subsidizing full employment and pays for it by taking foreign loans. When the loans shrink, the subsidies will have to go.

Money will get scarce, business firms will no longer be able to finance their wage bills. They will send out dismissal notices. Like in other countries.

THERE IS a way out of this dilemma: to devalue the currency by some enormous amount like 40 per cent. Can that be done? If it is, our exports will surge, and not only that. Imports will become 40 per cent more expensive, so the competitive situation of Israel's industry in the domestic market will improve, thus helping to restore full employment.

To Aridor's credit let it be said that he would have adopted this measure without hesitation — had it been feasible. His right-hand man, Prof. Yakir Plessner, explains why it isn't. Adjusting the exchange-rate does not work in Israel.

Here lies the hard core of the country's problem. The simplest and most obvious remedy cannot be applied, because the unions will not allow it. Devaluation can only succeed if the cost-of-living allowance is abolished. The Histadrut will never agree to that.

What does devaluation do? A firm exporting at a loss finds its income in shekels increased. It will begin to show a profit provided its expenses remain unchanged.

But devaluation raises prices; prices raise wages (via the index) and the cost of credit. Before the month is out the company's expenses begin to swell till they exceed its earnings once more; which brings it back to where it started.

A country that maintains a level of wages that needs a capital inflow equal to one-fifth of the GNP to support it cannot preserve both that wage-level and full employment as well. One or the other has to give. But wages won't give. Unions abroad have not allowed wages to drop except at the margin. There is no reason why Israel's trade unionists should behave differently.

So the distressing process of layoffs, staff cuts and outright closures that have overtaken countries overseas will extend to Israel too. It is only a matter of time.

ABOLISHING THE cost-of-living allowance means reducing the living standards of the working man. Why should the Histadrut agree to that?

No reason if they look at the short term. But a cut in incomes is necessary in the longer term, to revive production. Once production catches up and outstrips consumption, wages will rise again, and this time will go on rising.

The unions see only half the picture, they deal with wages (that is, consumption) in isolation, as if output and employment were not their business. The Atlantic Charter, signed in 1944 as a blueprint for progress in the post-war world, included a pledge to maintain full employment.

That pledge lies neglected; full employment no longer prevails in the West. The unions have escaped blame for that, yet their job is to protect the workers. They protect the workers' wages, and nothing more.

They ignore the other part, which

Dry Bones

ANTI ZIONIST
ZEALOTS
CAN ATTACK
THE POLICE?
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DESECRATE
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STONE CARS!
RIOT IN THE
STREETS?!

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READERS' LETTERS

CHICKEN BONES

To the Editor of The Jerusalem Post Sir: — Five years ago, my wife and I were volunteers at the Area G dig in the City of David. Yigal Shilo explained to us that we were digging then at the Second Temple level and that everything above — Byzantine, Moslem, Middle Ages and after — had already been cleared away by a series of archeologists starting in the 1920's and ending with Kathleen Kenyon in the early 1960's. During our two-week stint, needless to say, we saw no graves or bones of any description.

It was therefore surprising to hear, two years ago, that the ultra-Orthodox were demonstrating against the dig in the Area G on the grounds that graves from the Middle Ages were still there. I went there one morning and found Moshe Hirsch standing with several reporters and photographers while the crowd of demonstrators was held back by the police. I explained to Hirsch that there might be graves elsewhere on the slope, but in Area G there could be none. Hirsch was interested in my description and asked how much higher the ground level was before any excavations were begun.

Before I could answer, a yeshiva student who had gone around the police cordon, came running up to Hirsch with a clenched fist. "Guess what I have here!" he said, as he slowly opened his fist to reveal a small bone. "But that is a chicken bone!" exclaimed Hirsch. "Where did you get it?" The student pointed to a nearby Arab house with a garbage area outside it. Hirsch himself remonstrated with him, suggesting that fresh chicken bones are no proof of the presence of an ancient Jewish cemetery. The student was not convinced. Said he: "Today — chicken bones; tomorrow — human bones."

P.K. ISAACS

Jerusalem.

CONSERVATIVE JUDAISM

To the Editor of The Jerusalem Post Sir: — Your admirable supplement of July 4 on America and American Jewry featured a major article on religious life in which two prominent rabbis were interviewed; one Orthodox and the other Reform. It is strange that an article purporting to deal with such a vital issue as the future of American Jewry should ignore the largest of the three religious groupings there, i.e. Conservative Judaism.

It is possible to understand interviewing a rabbi for his views regardless of the trend to which he belongs, but an article which purports to be more comprehensive than that and which seeks to deal with the gamut of problems facing the Jewish religion in America and which has nothing to say about Conservative Judaism and nothing representing the opinions of outstanding conservative leaders is rather like Hamlet without the prince, or at least like the Three Sisters with only two of them.

Conservative Judaism, with over a thousand rabbis, nearly that many synagogues, its network of schools, day-schools, youth groups, Ramah Camps and two major academic institutions, the Jewish Theological Seminary of America and the University of Judaism, surely must be reckoned with.

Dr. REUVEN HAMMER
Director of Field Activities,
Foundation for Conservative Judaism in Israel

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EVENTS IN JUDEA AND SAMARIA

To the Editor of The Jerusalem Post Sir: — We refer to Yoel Goell's article of July 15, "A provocative Jewish presence." Although there are many interesting observations by Mr. Goell in the article, we must object to two of his remarks.

The word "pogrom" was mentioned twice, and we quote: "The Levenger crowd is as adamant on using such murders as pretexts for launching pogroms against the general Arab population," and further on: "Jewish anti-Arab pogroms." We are not supporters of Gush Emunim nor do we necessarily condone their actions, but we must take exception to the use of this word.

According to the Random House

Dictionary, the meaning of "pogrom" is "an organized massacre, slaughter, butchery" and we feel this is the widely accepted meaning of this word. To the best of our knowledge, when part of the Hebron souk was burned out, there were no deaths and, as far as we know, no people injured. This is another incident where the use of wrong words can insinuate something that didn't happen and we feel journalists like Mr. Goell have a duty to report and comment on happenings in an accurate manner and should be more careful in their choice of words in order not to mislead the public.

We also believe he is unfair in picturing the Jewish settlers in

Hebron and Kiryat Arba as "hiding for additional pretexts — including murders — to escalate Israeli action," as though they are anxiously hoping and waiting for Arab extremists to kill more Jews. Mr. Goell is apparently trying to create an image of these settlers as irrational extremists — similar to the PLO — who have no respect for the sanctity of life and are willing to resort to murders and massacres. This is simply not so, as confirmed by events of the past few years. Such false intimations only sow more hatred between Jews and do not contribute anything to solving the problem.

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